

**Vol. XIII**  
**TRANSCRIPT OF RECORD**

(Pages 4221 to 4404)

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**Supreme Court of the United States**

**OCTOBER TERM, 1951**

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**No. 428**

**PENNSYLVANIA WATER AND POWER COMPANY  
AND SUSQUEHANNA TRANSMISSION COMPANY  
OF MARYLAND, PETITIONERS,**

*vs.*

**FEDERAL POWER COMMISSION ET AL.**

**No. 429**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION,  
PETITIONER,**

*vs.*

**FEDERAL POWER COMMISSION**

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**ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF  
APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT.**

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**PETITIONS FOR CERTIORARI FILED NOVEMBER 16, 1951**

**CERTIORARI GRANTED FEBRUARY 4, 1952**

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## Schedule A

Comparison of  
Bills for and Costs of  
Penn Water's and Safe Harbor's  
Firm Power Services  
Rendered to Baltimore Company

1946 - Actual and Adjusted

	<u>Actual</u>	<u>Adjusted</u> (see note)
Total Costs Incurred in Rendering Firm Power Services to Baltimore Company (including PWR in Maryland)		
Penn Water	\$ 3,606,000	\$ 3,724,000
Safe Harbor	<u>1,518,000</u>	<u>1,939,000</u>
Combined Costs	\$ 5,124,000	\$ 5,663,000
Bills Applicable to Firm Power Services Rendered to Baltimore Company (see attached Schedules B and D)		
Penn Water*	\$ 2,824,420	
Safe Harbor**	<u>2,033,002</u>	
Combined Bills (Applicable to Firm Power Services)	\$ 4,857,422	
Excess of Costs over Amounts Billed (Applicable to Firm Power Services)	\$ 266,578	

\* The revenues received by Penn Water from Baltimore Company were less than the amounts billed (net bill basis) by \$294,379.00.

\*\* The revenues received by Safe Harbor from Baltimore Company were less than the amounts billed by \$7,768.

The adjustments made to actual 1946 costs include the effects of authorized increases in plant investment, increases in expenses as estimated for the current year, and the elimination of the tax credit arising from the refunding of Safe Harbor's bonds.



Schedule B

January 8, 1947

MEMORANDUM TO: Mr. A. E. Penn, Sec'y., Consolidated Gas Electric Light and Power Company of Baltimore  
 Mr. Jas. L. Rintoul, Vice Pres., Pennsylvania Water & Power Company  
 Mr. C. A. Lappe, Treas., Safe Harbor Water Power Corporation

SAFE HARBOR COMPANY'S BILL TO BALTIMORE COMPANY AND  
 HOLTWOOD COMPANY FOR THE YEAR 1946

(a)	7% on Accumulated Actual Investment of \$30,169,472.88 as of Dec. 31, 1945	\$ 2,111,863.10
(b)	Payment on net additions during 1946 at rate of 7% per annum	2,145.96
(c)	Expenses	
	1. Operating Expense	\$ 290,126.86
	2. Maintenance	146,262.40
	3. General Expense	226,168.71
	4. General Taxes	98,820.08
	5. Federal Normal Tax and Surtax	None
	6. Depreciation (Annuity only)	174,677.87
	Total Expenses	936,055.92
(d)	Sum of (a) + (b) + (c)	\$ 3,050,064.98
(e)	Rent from Electric Property	562.60
(f)	Net Bill for Year 1946 (d) - (e)	\$ 3,049,502.38
(g)	Net Bill to Baltimore Company 2/3 of (f)	\$ 2,033,001.59
(h)	Gross Amount billed to Baltimore Company for first eleven months of 1946	1,864,114.79
(i)	Net Balance due from Baltimore Company for December 1946	\$ 168,886.80
(j)	Net Bill to Holtwood Company 1/3 of (f)	\$ 1,016,500.79
(k)	Gross Amount billed to Holtwood Company for first eleven months of 1946	932,057.40
(l)	Net Balance due from Holtwood Company for December 1946	\$ 84,443.39

This statement includes expenses and taxes with respect to rate proceedings referred to in a letter to Mr. N. B. Higgins from Mr. Wm. Schmidt, Jr., dated June 18, 1946.

*R. T. Greer*  
 R T Greer

*W. Spaulding*  
 W. Spaulding

RTG  
 GWS:DEL

Schedule C  
Page 1

January 15, 1947

MEMORANDUM TO MR. A. E. PENN  
MR. JAS. L. RINTOULHOLTWOOD COMPANY'S BILL TO BALTIMORE COMPANY FOR DECEMBER 1946

The reference letters used below correspond to the Paragraph letters under Article III of the Supplemental Agreement of June 1, 1931, as amended by Supplemental Agreement of September 29, 1939.

(a) <u>NET POWER REVENUE OF HOLTWOOD COMPANY</u>		
1. 1930 Revenue Adjusted to Avg. River Flow	\$ 2,832,259.75	
2. Decrease in Revenue from Cust. other than Balto 1931 compared with 1930	<u>70,080.06</u>	
3. Base Net Revenue		\$ 2,762,179.69
(b) <u>PAYMENTS ON NET ADDITIONS AT 10.25% &amp; 9.5%</u>		
		895,367.47
(c) <u>EXPENSES</u>		
1. *Operating Exp (Excl. Power Purchased)	1,092,382.98	
2. Maintenance	402,556.51	
3. General Expense	906,281.37	
4. General Taxes	304,170.26	
5. Federal Normal Tax and Surtax	983,846.27	
6. Depreciation	\$ 355,146.73	
Less: Adj. for Auto Depreciation	<u>2,025.89</u>	
7. Total	<u>353,120.84</u>	
*Power Purchased shown in Item (d)		4,042,364.23
(d) <u>HOLTWOOD COMPANY'S PAYMENTS FOR POWER PURCHASED</u>		
1. Metropolitan Edison Co.	1,598.10	
2. Philadelphia Electric Co.	40,865.39	
3. Pennsylvania Power & Light Co.	12,031.66	
4. Safe Harbor Water Power Corporation	<u>1,016,500.79</u>	
5. Total		<u>1,070,995.94</u>
SUM OF (a), (b), (c) and (d)		8,770,925.33
(e) <u>HOLTWOOD COMPANY'S REVENUE FROM PARTIES OTHER THAN BALTO.</u>		
1. Pennsylvania Power & Light Co. (Firm Power)	1,944,484.32	
2. Philadelphia Electric Co., (Firm Power)	948,860.95	
3. Metropolitan Edison Co. (Firm Power) (Incl. Y.E.)	667,454.73	
4. Pioneer Electric Light Co. (Firm Power)	13,871.33	
5. Metropolitan Edison Co. (Interchange)	372,726.74	
6. Philadelphia Electric Co. (Interchange)	489,438.93	
7. Pennsylvania Power & Light Co. (Interchange)	320,028.21	
8. Pennsylvania Railroad Company	1,625,575.45	
9. Conowingo Backwater Payment	133,750.00	
10. Rent from Electric Property	<u>34.65</u>	
11. Total		6,516,225.31
(f) <u>INTEREST ON INCREASE IN RESERVE FOR DEPRECIATION</u>		240,075.64
(h) <u>REDUCTION AS PER SUPPLEMENTAL AGREEMENT OF SEPT 29, 1939</u>		600,000.00
(x) <u>MISCELLANEOUS CREDITS</u>		<u>15,293.28</u>
<u>TOTAL DEDUCTIONS - SUM OF (e), (f), (h) and (x)</u>		<u>7,371,594.23</u>



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Schedule C  
Page 2

(i) <u>NET BILL FOR YEAR 1946</u>	\$ 1,399,331.10
(j) <u>TOTAL AMOUNT BILLED FOR FIRST ELEVEN MONTHS OF 1946</u>	1,489,826.96
(k) <u>CREDIT BALANCE TO BALTIMORE COMPANY FOR DECEMBER 1946</u>	<u>90,495.86</u>

## NOTES:

Item (c)-3 includes all regulatory expenses incurred by Power in 1946, including certain regulatory expenses which are considered not to be "reasonable operating expenses" in the letters to Mr. J.A. Walls from Mr. Wm. Schmidt, Jr., dated June 18, 1946 and December 26, 1946.

Item (x) includes certain operating expenses of Power which it has absorbed for special reasons and credited to the bill payable by Electric.

*G.W. Spaulding*  
G.W. Spaulding for Pennsylvania  
Water & Power Company

Schedule DHOLTWOOD COMPANY'S FIRM POWER BILL TO BALTIMORE COMPANY FOR THE YEAR 1946

<b>(a) NET POWER REVENUE OF HOLTWOOD COMPANY</b>	
1. 1930 Revenue Adjusted to Avg. River Flow	\$ 2,832,259.75
2. Decrease in Revenue from Cuat. other than Balto. 1931 compared with 1930	70,080.06
3. Base Net Revenue	\$2,762,179.69
<b>(b) PAYMENTS ON NET ADDITIONS AT 10.25% &amp; 9.5%</b>	
	895,385.47
<b>(c) EXPENSES</b>	
1. *Operating Exp. (Excl. Power Purchased)	\$ 1,092,388.98
2. Maintenance	402,556.51
3. General Expense	906,291.37
4. General Taxes	304,170.26
5. Federal Normal Tax and Surtax	983,846.27
6. Depreciation	\$355,146.73
Less Adj. for Auto Depreciation	2,025.89
7. Total	353,120.84
*Power Purchased shown in Item (d)	4,042,364.23
<b>(d) HOLTWOOD COMPANY'S PAYMENTS FOR POWER PURCHASED</b>	
1. Metropolitan Edison Co. (Interchange)	\$ 1,598.10
2. Philadelphia Electric Co. (Interchange)	40,865.39
3. Pennsylvania Power & Light Co. (Interchange)	12,031.66
4. Safe Harbor Water Power Corp. (Firm Power)	1,018,500.79
5a. Backfeed used for Firm Supply in Pa.	\$313,322.00
b. Backfeed and Diverted Energy Sold as Interchange	1,149,369.96
Baltimore Co. (Interchange)	1,462,691.96
6. Total	\$2,533,687.90
SUM OF (a), (b), (c) and (d)	\$10,233,617.29
<b>(e) HOLTWOOD COMPANY'S REVENUE FOR SERVICES OTHER THAN FOR BALTO. FIRM SUPPLY</b>	
1. Pennsylvania Power & Light Co. (Firm Power)	\$ 1,944,484.32
2. Philadelphia Electric Co. (Firm Power)	948,860.95
3. Metropolitan Edison Co. (Firm Power) (Incl. Y.E.)	667,454.73
4. Pioneer Electric Light Co. (Firm Power)	13,871.33
5. Metropolitan Edison Co. (Interchange)	372,725.74
6. Philadelphia Electric Co. (Interchange)	489,438.93
7. Pennsylvania Power & Light Co. (Interchange)	320,028.21
8. Pennsylvania Railroad Company (Firm Power)	1,625,575.45
9. Conowingo Backwater Payment	133,750.00
10. Rent from Electric Property	34.65
11. Baltimore Co. (Interchange)	37,603.03
12. Total	\$6,553,828.34
<b>(f) INTEREST ON INCREASE IN RESERVE FOR DEPRECIATION</b>	
	240,075.64
<b>(h) REDUCTION AS PER SUPPLEMENTAL AGREEMENT OF SEPT. 29, 1939</b>	
	600,000.00
<b>(x) MISCELLANEOUS CREDITS</b>	
	15,293.28
<b>TOTAL DEDUCTIONS - SUM OF (e), (f), (h) and (x)</b>	
	\$7,409,197.26
<b>FIRM POWER BILL FOR YEAR 1946</b>	
	\$2,824,420.03



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**EXHIBIT No. 380.**

[24401]

F. M. Gunby  
W. F. Uhl  
A. W. Benoit  
Marcus K. Bryan  
R. A. Moncrieff  
W. M. Hall

Industrial Plants  
Textile Mills  
Paper Mills  
Steam Power  
Water Power  
Foundations  
Valuations

Cable Address  
Chasmain, Boston

CHAS. T. MAIN, INC.  
ARCHITECTS — ENGINEERS  
201 Devonshire Street  
Boston, 10, Mass.

March 18, 1946

ESTIMATE OF FAIR MARKET VALUE AS OF  
MARCH 1, 1905 OF THE LANDS AND WATER  
RIGHTS REQUIRED TO CARRY OUT THE HOLT-  
WOOD HYDRO-ELECTRIC DEVELOPMENT OF  
THE McCALL FERRY POWER COMPANY AND  
NOW OWNED BY THE PENNSYLVANIA WATER  
AND POWER COMPANY.

[24405] (page 5)

In arriving at the foregoing conclusions covering the fair market value of the lands and water rights required for the Holtwood hydro-electric development the following principal points were considered.

1. Market for power output; its extent and distance from the site of the development.



2. Competitive sources of power.
3. Extent of engineering information available regarding the site.
4. Natural advantages and disadvantages of the site.
5. Probable cost of construction.
6. Pondage and storage possibilities.
7. Stream flow characteristics.
8. Time when development may be carried out.
9. Possibilities of financing.
10. Yearly cost of producing the estimated output.

In the following the principal points enumerated above are covered in some detail.

1. Market for power output, its extent and distance from the site.

[24406] (page 6)

(a) With the Consolidated Gas Electric Light and Power Company of Baltimore, June 4, 1907, which provided for the sale of 4000 kw for an annual demand charge of \$80,000. a year plus an energy charge of two mills per kw hr subject to various other minor provisions. This contract called originally for the supply of energy September 1, 1908, but provided for renewal.

(b) With the United Railways and Electric Company of Baltimore, dated June 28, 1907, which provided for sale of 10,000 kw for an annual demand charge of \$200,000. and with an energy charge of two mills per kw hr, subject to other customary provisions. This contract also provided for extension. Both contracts provided for some increase in the amount of energy which could be taken.

On July 17, 1909 John E. Aldred had been appointed receiver of the McCall Ferry Power Company and the property had been purchased from the Bondholders Committee by the newly formed Pennsylvania Water and Power

Company on January 13, 1910. Mr. Aldred immediately initiated negotiations to secure new contracts at Baltimore.

(c) On August 29, 1910 a contract was executed between Pennsylvania Water and Power Company and the Consolidated Gas Electric Light and Power Company of Baltimore providing for purchase by the latter of not less than 70,000,000 kwh per year at four mills per kwh, with a maximum demand of 13,333 kw with provisions for the purchase of 50% more energy, with a maximum demand of 20,000 kw, bringing the total provided for up to 105,000,000 kwh per year at the same price.

(d) On February 8, 1911 a contract was executed between Pennsylvania Water and Power Company and the United Railways and Electric Company of Baltimore providing for the purchase by the latter of 12,000 kw "flat power" 24 hours per day but not to exceed 230,400 kwh during any 24 hour day based on a load factor of 80%. "Flat power" to be supplied at the rate of \$24. per kw per annum. During low flow the Power Company had the right to reduce to 25% the amount of "flat power" supplied. "Surplus power" in excess of "flat power" to be taken week ends at the rate of 3 mills per kwh. used. At the option of the Railway Company an additional block of "flat power" could be taken not exceeding 6000 kw at the rate of 3.425 mills per kwh. Provisions were also made for the payment of 4 mills per kwh by the Power Company to the Railway Company for the generation by the Railway Company for its own use during periods when the Power Company was unable to supply the full amount of "flat power."

[24409] (page 9)

##### 5. Probable cost of construction.

By the end of 1907 the Company had exhausted practically all of its available cash. At that time construction, exclusive of equipment, was about 80% complete. An additional [24410] (page 10) \$3,753,000 in cash to carry on the construction was raised by the sale of additional securities in 1909.

By January 13, 1910, when the Pennsylvania Water and Power Company was organized, actual expenditures, exclusive of transmission lines but including land and water rights, amounted to \$9,157,457.

During 1910 additional expenditures amounted to:

(a) Power Plant	\$2,350,622
(b) Transmission lines	1,128,381
Total	<hr/> \$3,479,003

As of December 13, 1910 the total cost of land, plant and transmission lines amounted to:

(a) Power Plant	\$11,508,079
(b) Transmission lines	1,128,381
Total	<hr/> \$12,636,460

At the end of 1910 one 13500 horse power unit was in operation and four 13,500 H.P. units were partly installed. This installation was completed by the latter part of 1911.

Actual commercial operation began October 1, 1911. Operation before this date was not continuous due to difficulties with turbines, generators and transformers. Actual generation during 1910 and 1911 was:

1910 — 8,979,500 kwh  
1911 — 124,431,100 kwh

Total investment including land and transmission lines on September 30, 1911 was \$13,609,191

As of the same date the investment in power plant alone exclusive of land and transmission lines was about \$10,670,000



Net, 1911 operating revenue before deduction for depreciation amounted to \$ 323,058

Total installed capacity Sept. 30, 1911 was 67,500 H.P.

Cost per H.P. of installed capacity, plant only \$ 158

Cost per H.P. of installed capacity, land, plant, transmission lines and substations 202

By the end of 1914 two additional units of 17,000 H.P. each and one of 16,500 H.P. were in operation, 50,500 H.P. additional, or a total by December 31, 1914 of 118,000 H.P.

Total investment on December 31, 1914 was \$15,582,829

As of the same date the investment in power plant alone, exclusive of land and transmission lines, was about \$11,659,000

Net 1914 operating revenue before deduction for depreciation amounted to 734,415

[24411] (page 11)

Cost per H.P. of installed capacity, plant only \$ 99

Cost per H.P. of installed capacity, land, plant transmission lines and substations \$ 132

During the early part of 1924 the installation of two more hydro units was completed, each of 20,000 H.P. capacity or 40,000 H.P. additional

The total capacity of the plant during the latter part of 1924 and since that time was, therefore, 158,000 H.P.

Total investment on December 31, 1924 was \$20,706,078

As of the same date the investment in the power plant alone, exclusive of land and transmission lines was about \$15,530,000

Net 1924 operating revenue before deduction for depreciation amounted to	\$ 1,756,535
Cost per H.P. of installed capacity, plant only	\$ 98
Cost per H.P. of installed capacity, land, plant transmission lines and substations	\$ 131
Name plate generating capacity:	
Original plant	42,500 kw
At present and since 1924	111,000 kw

\* \* \*

[24415] (page 15)

\* \* \*

#### 10. Yearly cost of producing the estimated output.

By the end of 1910 conditions under which the property would be operated were fairly well established.

A contract for furnishing power had been made, the investment for the initial installation was well in hand and the project was fast approaching the going concern stage.

The following table shows the actual accumulated investment, annual cost exclusive of interest and depreciation, net operating revenue and return on the investment for the first ten years of operation.

Year	Output in Thousands of kw hrs.	Accumulated Investment December 31	Annual cost Exclusive of Depreciation	Net operating revenue before Depreciation	Return on Investment in %
1911	124,431.1	\$13,609,191	\$ 68,959	\$ 323,058	2.37
1912	233,002.7	15,934,802	101,975	618,738	4.44
1913	252,772.3	14,668,273	117,048	664,433	4.53
1914	280,933.0	15,582,829	153,821	734,415	4.71
1915	345,771.1	15,620,830	176,408	943,431	6.04
1916	417,837.6	15,854,933	217,919	1,080,091	6.81
1917	516,891.0	16,126,658	445,051	1,246,641	7.73
1918	500,641.1	16,242,384	473,850	1,172,641	7.22
1919	512,138.8	16,303,435	558,810	1,269,681	7.79
1920	494,624.4	16,394,117	523,911	1,328,990	8.11

## PENNSYLVANIA WATER &amp; POWER CO.,

Lexington Building, Baltimore-3, Md.

Sold To Pennsylvania Power & Light Company.  
Allentown, Pennsylvania

Invoice No.

Invoice Date, May 1, 1944

Energy furnished during the month of April, 1944:

25 Cycle supply Eagleside.	1,995,000 KWH
60 " " "	16,635,000 "
60 " " Donegal	1,962,000 "
60 " " Manheim	912,000 "
60 " " Akron	1,524,000 "
60 " " Big Inch	2,622,000 "
60 " " Little Inch	1,244,000 "
	<u>26,894,000 "</u>

Deductions

Back Feed #18	28,000 "	
" " Donegal	8,000 "	
" " Manheim	6,000 "	
" " Akron	<u>5,000 "</u>	
	26,855,000 "	@ 6.6 mills \$177,243.00
	<u>13,500,000 "</u>	
Credit .....	13,355,000 "	@ 0.6 " 8,013.00
		<u>\$169,230.00</u>

Fixed Charges on Generating Companies  
Investment in Safe Harbor Donegal connection.  
1% of \$13,669.92

136.70  
\$169,366.70

Credit for metering equipment  
at South Manheim Substation. \$10.92

Credit for metering equipment  
at Donegal Substation. 7.37

18.29 \$169,348.41



Form MPW 114

## PENNSYLVANIA WATER &amp; POWER CO.,

Lexington Building, Baltimore-3, Md.

Sold To Pennsylvania Power & Light Company  
Allentown, Pennsylvania

Invoice No.

Invoice Date May 1, 1944

Energy furnished at Holtwood, Pa., during the  
month of April, 1944:

Total supply 48,000 KWH

Back Feed Athletic Field 0 "

48,000 @ 15.0 mills

\$720.00

Meter Reading 4/30/44 5210

" " 3/31/44 4730

480

Form MPW 114

**PENNSYLVANIA WATER & POWER CO.,**

Lexington Building, Baltimore-3, Md.

Sold To: Pennsylvania Power & Light Company  
Allentown, Pennsylvania

Invoice No.

Invoice Date May 5, 1944

Interchange Energy supplied to or received  
from the Pennsylvania Power & Light Company of  
Allentown during the month of April, 1944:

Supplied to Penna. Power &amp; Light Co. 9,119,000 KWH

\$36,376.53

Received from Penna. Power &amp; Light Co. 7,000 "

21.64

Net amount due Pennsylvania Water &amp; Power Co.

\$36,354.89

IT-5915

## PENNSYLVANIA WATER &amp; POWER COMPANY

CUMULATIVE RATE OF RETURN EARNED ON  
GROSS INVESTMENT, STRAIGHT LINE  
DEPRECIATION AND 5% RATE OF RETURN

					Cumulative Totals - Per Dorau Work Papers		
	1911-1945	1911-1965	1911-1985	1911-2010	1946-1965 Inclusive	1946-1985 Inclusive	1946-2010 Inclusive
1. Gross Investment	\$779,433,520	\$1,450,248,200	\$2,121,063,000	\$2,959,581,425	\$670,814,740	\$1,341,529,480	\$2,180,147,905
2. Reserve for Depreciation	101,967,804	383,851,030	680,026,711	1,027,493,053	281,883,226	578,058,907	925,525,249
3. Net Investment	<u>677,465,716</u>	<u>1,066,397,230</u>	<u>1,441,036,289</u>	<u>1,932,088,372</u>	<u>388,931,514</u>	<u>763,570,573</u>	<u>1,254,622,656</u>
4. Return Earned on Net Investment (5% after 1945)	68,575,878	88,022,454	106,754,407	131,307,011	19,446,576	38,178,529	62,731,133
5. 3% Assumed "Income from Reserve Investment"	<u>3,059,034</u>	<u>11,515,531</u>	<u>20,400,801</u>	<u>30,824,792</u>			<u>27,765,757</u>
6. Total of (4) and (5)	\$ 71,634,912	\$ 99,537,985	\$ 127,155,208	\$ 162,131,803			\$ 90,496,890
8. Rate of Return Earned on Undepreciated Gross Investment	<u>9.2%</u>	<u>6.80%</u>	<u>6.00%</u>	<u>5.48%</u>			

## Source:

1911-1945 Actual investment, depreciation reserve and earnings (Ex. 57)  
1946-2010 Static investment and cumulative depreciation reserve shown in  
Dr. Dorau's work papers.

Docket IT-5915

Schedule 1

## PENNSYLVANIA WATER &amp; POWER COMPANY

CONSOLIDATED INCOME STATEMENT - PER BOOKS  
 CALENDAR YEARS 1945 AND 1946

Particulars	Year Ended December 31	
	1945	1946
OPERATING REVENUES	\$7,051,676.04	\$6,438,983.28
OPERATING REVENUE DEDUCTIONS:		
Operating expenses -		
Purchased power:		
Safe Harbor Water Power Corporation	1,231,772.47	1,016,500.79
Interchange power	(812,133.77)	(1,127,698.73)
Electric generation-steam power	584,044.44	683,566.82
Electric generation-hydraulic power	352,518.26	402,895.08
Transmission	366,367.37	408,483.59
Administrative and general	625,541.55	906,281.37
Total	2,348,110.32	2,290,028.92
Depreciation	574,245.15	573,876.79
Taxes-Federal income	1,211,693.82	892,070.76
Taxes-other than Federal income	317,248.94	297,970.26
Total Operating Revenue Deductions	4,451,298.23	4,053,946.73
OPERATING INCOME	2,600,377.81	2,385,036.55
OTHER INCOME:		
Income from non-utility operations	(362.33)	(328.21)
Dividend revenues	385,264.00	385,264.00
Interest on securities owned	57,265.24	54,153.14
Other interest revenues	-	-
Miscellaneous non-operating revenues	-	748.21
Total Other Income	442,166.91	439,837.14
GROSS INCOME	3,042,544.72	2,824,873.69
INCOME DEDUCTIONS:		
Interest on long term debt	680,449.37	669,335.79
Amortization of premium on debt	(10,834.08)	(10,686.84)
Taxes assumed on interest	-	-
Other interest charges	36.35	8.72
Interest charged to construction	(280.29)	(1,635.24)
Miscellaneous income deductions	42,012.00	26,978.68
Total Income Deductions	711,383.35	684,001.11
NET INCOME	\$2,331,161.37	\$2,140,872.58



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Schedule 2

## PENNSYLVANIA WATER &amp; POWER COMPANY

OPERATING REVENUES - PER BOOKS  
CALENDAR YEARS 1945 AND 1946

Particulars	Year Ended December 31	
	1945	1946
<b>SALES OF ELECTRIC ENERGY:</b>		
Sales to other electric utilities		
Consolidated Gas Electric Light and Power Company		
Net-Bill for year	\$2,084,216.67	\$1,399,331.10
Portion of regulatory expenses and applicable taxes not paid		(294,379.25)
Total	2,084,216.67	1,104,951.85
Pennsylvania Power & Light Company -		
Lancaster, Pa.	2,053,740.12	1,944,484.32
Holtwood, Pa.	11,187.23	13,871.33
Total	2,064,927.35	1,958,355.65
Philadelphia Electric Company -		
Coatesville, Pa.	939,107.73	948,860.95
Edison Light & Power Company -		
York, Pa.	397,325.85	10,331.62
Metropolitan Edison Company -		
York, Pa.	-	657,123.11
Total sales to other electric utilities	5,485,577.60	4,679,623.18
Sales to railroads and railways -		
Pennsylvania Railroad Company	1,432,348.42	1,625,575.45
Total Sales of Electric Energy	6,917,926.04	6,305,198.63
<b>OTHER ELECTRIC REVENUES:</b>		
Rent from electric property		34.65
Miscellaneous electric revenues -		
Conowingo backwater payment	133,750.00	133,750.00
Other		
Total	133,750.00	133,750.00
Total Other Electric Revenues	133,750.00	133,784.65
Total Operating Revenues	\$7,051,676.04	\$6,438,983.28

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Schedule 3

## PENNSYLVANIA WATER &amp; POWER COMPANY

SALES OF ELECTRIC ENERGY  
CALENDAR YEAR 1946

Particulars	Year Ended December 31, 1946		
	KWH	Amount	Mills Per KWH
Consolidated Gas Electric Light and Power Company of Baltimore - Paid	56,017,000	\$1,104,951.85	19.72
Memo - Per power bill		1,399,331.10	24.98
Pennsylvania Power & Light Company Lancaster, Pa.	307,643,900	1,944,484.32	6.32
Holtwood, Pa.	924,755	13,871.33	15.00
Total	308,568,655	1,958,355.65	6.35
Philadelphia Electric Company - Coatesville, Pa.	135,629,000	948,860.95	7.00
Edison Light & Power Company - York, Pa.	88,606,000	667,454.73 <sup>1/</sup>	7.54
Total Sales to Other Electric Utilities	588,820,655	4,679,623.18	7.95
Pennsylvania Railroad Company	213,482,000	1,625,575.45	7.61
Total Sales of Electric Energy	802,302,655	\$6,305,198.63	7.86

<sup>1/</sup>

Sales in 1946 were made to Metropolitan Edison Company except for \$10,331.62 to Edison Light and Power Company during the first three months of that year.

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Schedule 4

## PENNSYLVANIA WATER &amp; POWER COMPANY

HOLTHOOD COMPANY'S BILL TO BALTIMORE COMPANY  
CALENDAR YEAR 1946

The reference letters used below correspond to the paragraph letters under Article III of the Supplemental Agreement of June 1, 1931, as amended by Supplemental Agreement of September 29, 1939.

Reference	Particulars	1946
(a)	Net Power Revenue of Holtwood Company	
1	1930 Revenue Adjusted to Average River Flow	2,832,259.75
2	Decrease in Revenue from Customers Other than Baltimore, 1931 Compared with 1930	70,080.06
3	Base Net Revenue	2,762,179.69
(b)	Payments on Net Additions at 10.25% and 9.5%	895,385.47
(c)	Expenses	
1	Operating Expense (Excluding Power Purchased)	1,092,388.98
2	Maintenance	402,556.51
3	General Expense	906,281.37
4	General Taxes	304,170.26
5	Federal Normal and Surtax	983,846.27
6	Federal Excess Profits Tax	
7	Depreciation	355,146.73
	Less: Adjustment for Auto Depreciation	(2,025.89)
8	Total	4,042,364.23
(d)	Holtwood Company's Payments for Power Purchased	
1	Metropolitan Edison Co. (Interchange)	1,598.10
2	Philadelphia Electric Co. "	40,865.39
3	Pennsylvania Power & Light Co. "	12,031.66
4	Safe Harbor Water Power Corporation "	1,016,500.79
5	Total	1,070,995.94
	Sum of (a), (b), (c), and (d)	8,770,925.33
(e)	Holtwood Company's Revenue from Parties Other than Baltimore	
1	Pennsylvania Power & Light Co. (Firm Power)	1,944,484.32
2	Philadelphia Electric Co. - Coatesville, Pa.	948,860.95
3	Metropolitan Edison Co. (Firm Power) (Including Y.F.)	667,454.73
4	Piquette Electric Light Co.	13,871.33
5	Metropolitan Edison Company (Interchange)	372,726.74
6	Philadelphia Electric Co. (Via P.R.R.) (Interchange)	489,438.93
7	Pennsylvania Power & Light Company (Interchange)	320,028.21
8	Pennsylvania Railroad Company	1,625,575.45
9	Conowingo Backwater Payment	133,750.00
10	Rent from Electric Property, etc.	34.65
11	Total	6,516,225.31
(f)	Interest at 4% On Increase in Reserve for Depreciation	240,075.64
(h)	Reduction as Per Supplemental Agreement of September 29, 1939	600,000.00
(x)	Miscellaneous Credits	15,293.28
	Total Deductions-Sum of (e), (f), (h), and (x)	7,371,594.23
(1)	Net Bill for Year	1,399,331.10

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Schedule 4A

## PENNSYLVANIA WATER &amp; POWER COMPANY

RECONCILIATION OF REVENUE FROM BALTIMORE COMPANY  
POWER BILL WITH BOOKS  
CALENDAR YEAR 1946

Particulars	1946
Net power bill for year	\$1,399,331.10
Deduct -	
Portion of regulatory commission expense (\$205,641.28) and applicable taxes (\$ 88,737.97) included in power bill but disputed by Consolidated Gas Electric Light and Power Company as not reasonable, and treated by Pennsylvania Water & Power Company on its books as a deferred credit	294,379.25
Balance, being revenue from Baltimore Company, per books	<u>\$1,104,951.85</u>
Rate case expenses - P.W. & P.Co.	\$201,757.00
Rate case expenses - Safe Harbor (Included in power purchased)	3,884.28
Federal Income Taxes	83,367.28
Penna. Income Tax	5,370.69
Total	<u>\$294,379.25</u>



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Schedule 5  
Sheet 1 of 2

## PENNSYLVANIA WATER &amp; POWER COMPANY

PURCHASED POWER  
SAFE HARBOR COMPANY'S POWER BILL.  
FOR 1946 AND ESTIMATED FOR 1947

Particulars	Power Bill As Rendered 1946	Power Bill As Estimated 1947	Power Bill Pro Forma 1946
Return on Investment	\$2,114,009.06	\$1,400,208.00	\$1,400,208
Expenses:			
Operating Expense	290,126.86	337,900.00	290,127
Maintenance	146,262.40	175,400.00	146,262
General Expense	226,168.71	261,880.00	214,516
General Taxes	98,820.08	121,106.25	121,106
Federal Normal and Surtax	-	481,604.45	481,604
Depreciation	174,677.87	507,370.00	507,370
Total Expenses	<u>936,055.92</u>	<u>1,885,260.70</u>	<u>1,760,985</u>
Operating Revenues	3,050,064.98	3,285,468.70	3,161,193
Rent from Electric Property	562.60	500.00	500
Net Bill for Year	<u>\$3,049,502.38</u>	<u>\$3,284,968.70</u>	<u>\$3,160,693</u>
Net Bill to Baltimore Co. (2/3)	\$2,033,001.59	\$2,189,979.13	\$2,107,129
Net Bill to Holtwood Co. (1/3)	1,016,500.79	1,094,989.57	1,053,564

## Notes:

The pro-forma power bill for 1946 is based upon the actual operating expenses for 1946 and the estimated depreciation, taxes, and return for 1947 in order to reflect the effect of Opinion No. 146 and the refinancing in 1946.

An amount of \$11,652.83 for rate case expenses has been excluded from general expenses of 1946 in the pro-forma power bill.

An estimated Safe Harbor Company power bill for 1947 based upon the agreements of June 1, 1931 and November 22, 1939 as prepared by Safe Harbor

\$3,889,850.35

The estimated Safe Harbor Company power bill for 1947 prepared in accordance with F.P.C. order of Nov. 4, 1946

\$3,284,968.70

Safe-Harbor Company's estimated rate reduction for 1947

\$ 604,881.65

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Schedule 5  
Sheet 2 of 2

## PENNSYLVANIA WATER &amp; POWER COMPANY

COMPUTATION OF INCOME TAXES  
INCLUDEBLE IN SAFE HARBOR'S POWER BILL

Particulars.	Power Bill As Rendered 1946	Power Bill As Estimated 1947	Power Bill Pro Forma 1946
Return on Investment	\$2,114,009.06	\$1,400,208.00	\$1,400,208.00
Expenses:			
Operating Expense	290,126.86	237,900.00	290,127.00
Maintenance	146,262.40	175,400.00	146,262.00
General Expense	226,168.71	261,280.00	214,516.00
General Taxes	98,820.08	121,106.25	121,106.00
Depreciation	174,677.87	507,370.00	507,370.00
Total expenses	936,055.92	1,403,656.25	1,279,381.00
Sum of Return and Expenses	3,050,064.98	2,803,864.25	2,679,589.00
Deductions:			
Expenses	936,055.92	1,403,656.25	1,279,381.00
Depreciation (Excess of straight-line)	330,253.40	-	-
Interest on Bonds	903,558.52	420,000.00	420,000.00
Interest on Notes	-	84,437.50	84,438.00
Premium on Bonds Redeemed	6,815.00	-	-
Debt Discount and Expense	41,230.32	-	-
Amort. of Debt Premium	( 2,262.09)	( 22,620.89)	( 22,621.00)
Penn. Corporate Loans Tax	11,534.22	-	-
Decrease in Reserve for Ret. Ann.	1,255.36	-	-
Excess of Non-Operating Deductions Over Non-Operating Income	1,405,636.36	-	-
Total Deductions	3,634,080.01	1,885,472.86	1,761,198.00
Tentative Taxable Net Income	\$ (584,015.03)	\$ 918,391.39	\$ 918,391.00
Tentative Normal and Surtax (38%)	-	348,988.73	348,989.00
Normal and Surtax:			
Tentative Taxable Net Income	-	918,391.39	918,391.00
Tentative Tax	-	348,988.73	348,989.00
Taxable Net Income	-	1,267,330.12	1,267,380.00
Normal and Surtax at 38%	-	481,604.45	481,604.00
Pennsylvania Taxable Net Income	-	\$1,267,380.12	\$1,267,380.00
Penn. Income Tax at 2.124% (53.11% of 4%)	-	\$ 26,900.00	\$ 26,900.00

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Schedule 6

## PENNSYLVANIA WATER &amp; POWER COMPANY

INTERCHANGE POWER - PER BOOKS  
CALENDAR YEAR 1946

Particulars	Year Ended December 31, 1946		
	Delivered To	Received From	Net
Philadelphia Electric Company			
Perryville, Md.	\$ 196,927.67	\$ 17,329.32	\$ 179,598.35
Thorndale, Pa.	292,511.26	23,536.07	268,975.19
Total	489,438.93	40,865.39	448,573.54
Pennsylvania Power & Light Company			
Harrisburg, Pa.	320,028.21	12,031.66	307,996.55
Metropolitan Edison Company			
Violet Hill, Pa.	372,726.74	1,598.10	371,128.64
Total Interchange	\$1,182,193.88	\$ 54,495.15	\$1,127,698.73
Philadelphia Electric Company			
Perryville, Md.	32,786,000	3,968,000	28,818,000
Thorndale, Pa.	48,018,000	5,425,000	42,593,000
Total	80,804,000	9,393,000	71,411,000
Mills Per K.W.H.	6.06	4.35	
Pennsylvania Power & Light Company (Harrisburg, Pa.)	51,192,000	2,919,000	48,273,000
Mills Per K.W.H.	6.25	4.12	
Metropolitan Edison Company (Violet Hill, Pa.)	72,428,000	448,000	71,980,000
Mills Per K.W.H.	5.15	2.57	

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Schedule 7

## PENNSYLVANIA WATER &amp; POWER COMPANY

K.W.H. STATISTICS  
CALENDAR YEARS 1945 AND 1946

Particulars	Year Ended December 31,	
	1945	1946
Energy Generated and Purchased		
Energy Generated (Net) -		
Steam	142,864,000	166,112,000
Hydro	730,216,000	592,689,000
Total Energy Generated	873,080,000	758,801,000
Energy Purchased -		
Safe Harbor Water Power Corporation	412,514,000	292,322,000
Interchange Energy Received	16,051,000	12,760,000
Total Energy Generated and Purchased	1,301,645,000	1,063,883,000
Disposition of Energy		
Sold -		
Consolidated Gas Electric Light and Power Company of Baltimore	321,493,000	56,017,000
Other Companies	712,521,700	746,285,600
Interchange Energy Delivered	1,034,014,700	802,302,600
Total Energy Delivered	201,259,000	204,424,000
Transmission and Substation Losses	1,235,273,700	1,006,726,600
Total Disposition of Energy	66,371,300	57,156,400
Total Disposition of Energy	1,301,645,000	1,063,883,000
Percentage of Transmission Loss	5.10	5.37



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Schedule 8  
Sheet 1 of 3

## PENNSYLVANIA WATER &amp; POWER COMPANY

OPERATING EXPENSES, PER BOOKS  
CALENDAR YEARS 1945 AND 1946

F.P.C. Acct. No.	Particulars	Year Ended December 31	
		1945	1946
ELECTRIC GENERATION - STEAM POWER:			
Operation -			
701	Supervision and engineering	\$ 34,026.82	\$ 41,440.99
702.1	Boiler labor	62,739.24	71,237.94
702.2	Prime mover and generator labor	18,232.74	20,581.05
702.4	Miscellaneous station labor	7,642.07	10,769.08
703	Fuel	295,385.42	372,678.37
704	Water	10,659.76	12,543.15
705.1	Lubricants	870.81	876.89
705.2	Station supplies	15,395.48	21,822.41
705.3	Station expenses	17,271.23	19,439.94
502.11	Total operation	462,223.57	571,389.82
Maintenance -			
706	Supervision and engineering	27,755.90	33,206.51
707	Structures and improvements	9,694.39	12,275.64
708.1	Coal storage, handling, and weighing equipment	44,712.03	40,239.73
708.2	Furnaces and boilers	19,230.68	9,990.04
708.3	Boiler apparatus	7,100.06	5,098.54
708.4	Steam piping and accessories	1,284.86	1,113.12
709.1	Prime movers and generators	9,874.96	7,973.61
709.2	Accessory electric equipment	704.56	963.13
709.3	Miscellaneous power plant equipment	1,463.43	1,316.68
	Total maintenance	121,820.87	112,177.00
Total Electric Generation - Steam Power		\$584,044.44	\$683,566.82
ELECTRIC GENERATION - HYDRAULIC POWER:			
Operation -			
715	Supervision and engineering	\$ 52,551.78	\$ 64,614.42
716.1	Hydraulic labor	21,365.86	20,381.64
716.2	Prime mover and generator labor	43,643.10	46,449.09
716.3	Electric labor	39,573.40	42,393.47
716.4	Miscellaneous station labor	25,429.22	29,084.13
718.1	Lubricants	432.25	658.59
718.2	Station supplies	9,587.74	13,871.91
718.3	Station expenses	30,937.08	34,268.80
502.31	Total operation	223,520.43	251,722.05
Maintenance			
719	Supervision and engineering	40,364.15	49,270.70
720	Structures and improvements	19,026.09	21,774.77
721	Reservoirs, dams, and waterways	965.24	3,903.88
722.1	Prime movers and generators	37,496.98	47,688.35
722.2	Accessory electric equipment	22,132.62	21,392.38
722.3	Miscellaneous power plant equipment	6,263.37	5,463.58
723	Roads, railroads, and bridges	2,749.38	1,679.37
502.32	Total maintenance	\$128,997.83	\$151,173.03
Total Electric Generation - Hydraulic Power		\$352,518.26	\$402,895.08

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Schedule 8

Sheet 2 of 3

## PENNSYLVANIA WATER &amp; POWER COMPANY

OPERATING EXPENSES - PER BOOKS  
CALENDAR YEARS 1945 AND 1946

F.P.C. Acct. No.	Particulars	Year Ended December 31	
		1945	1946
TRANSMISSION:			
Substations--Operation -			
743	Supervision and engineering	\$ 22,121.73	\$ 23,147.56
745.1	Station labor	77,728.50	72,159.57
745.2	Station supplies and expense	5,303.95	5,240.19
502.511	Total operation	105,154.18	100,547.32
Substations--Maintenance -			
747	Supervision and engineering	12,785.38	14,460.76
748	Structures and improvements	8,324.89	5,006.29
749	Station equipment	41,904.14	46,991.97
502.512	Total maintenance	63,014.41	66,459.02
	Total substations	168,168.59	167,006.34
Lines--Operation -			
743	Supervision and engineering	21,057.89	27,364.40
746.1	Transmission labor	65,435.19	57,325.29
746.1	Clearing land and rights-of-way	40,542.06	43,128.15
746.1	Transmission supplies and expenses	3,454.50	3,213.18
502.521	Total operations	130,489.64	131,031.02
Lines--Maintenance -			
747	Supervision and engineering	5,511.95	6,830.60
748	Structures and improvements	2,936.56	4,510.42
750.1	Towers and fixtures	9,982.94	43,336.21
750.2	Poles and fixtures	6.88	14.45
750.3	Conductors and devices	8,872.84	11,881.99
752	Roads and trails	5,590.51	6,173.79
502.522	Total maintenance	32,901.68	72,747.46
	Total lines	163,391.32	203,778.48
Load Dispatching -			
743	Supervision and engineering		3.40
744	Labor	44,316.86	47,149.86
744	Supplies and expenses	24,091.73	26,954.43
744	Maintenance	1,206.32	1,289.82
755	Charged to others - credit	(34,807.45)	(37,698.74)
	Total load dispatching	34,807.46	37,698.77
	Total Transmission	\$366,367.37	\$408,483.59

( ) Denotes red figures.

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Sheet 3 of 3

## PENNSYLVANIA WATER &amp; POWER COMPANY

OPERATING EXPENSES - PER BOOKS  
CALENDAR YEARS 1945 AND 1946

P.P.C. Acct. No.	Particulars	Year Ended December 31	
		1945	1946
	ADMINISTRATIVE AND GENERAL EXPENSES:		
	Operation -		
790	Salaries of general officers and executives	\$ 115,086.74	\$ 123,073.40
791	Other general office salaries	174,112.00	192,470.41
792.1	Expenses of general officers	2,551.96	2,516.12
792.2	Expenses of general office employees	4,326.51	3,950.10
793	General office supplies and expenses	19,878.79	25,172.61
795	Special services	3,754.27	4,032.33
796	Legal services	16,305.00	19,350.00
797	Regulatory commission expenses	75,567.17	319,558.81
798	Insurance	18,174.70	13,499.60
799	Injuries and damages	9,226.36	6,983.19
800.1	Employees welfare expenses	22,842.30	29,020.84
800.2	Retirement annuit expense and pensions	62,488.50	61,071.58
801	Miscellaneous general expenses	53,498.20	58,201.60
803	Rents	34,626.00	35,763.00
	Total operation	612,438.50	894,663.59
	Maintenance -		
802.1	Structures and improvements	3,001.35	2,597.16
802.2	Office furniture and equipment	3,583.39	4,108.28
802.3	Communication equipment	6,518.31	4,912.34
	Total maintenance	13,103.05	11,617.78
502.7	Total Administrative and General Expenses	\$ 625,541.55	\$ 906,281.37

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Schedule 9

## PENNSYLVANIA WATER &amp; POWER COMPANY

SUMMARY OF TAXES FOR YEAR 1946

Acct. No.	Particulars	Per Books	Per Power Bill
228.111	Federal Income Normal and Surtax	\$ 892,070.76	\$ 983,846.27
228.141	Other Unemployment Compensation (Including States)	15,090.92	15,090.92
228.1421	Old Age and Survivors Insurance	11,969.94	11,969.94
228.211	Pennsylvania Income	46,800.00	53,000.00
228.212	Capital Stock	120,000.00	120,000.00
228.215	Gross Receipts	22,758.54	22,758.54
228.216	General Assessment - P.U.C.	4,067.27	4,067.27
228.217	Water and Power Resources Board	30.50	30.50
	Property	5,910.22	5,910.22
228.311	Maryland Income	3,646.68	3,646.68
228.312	Capital Stock - State	370.80	370.80
228.316	Foreign Corporation	25.00	25.00
228.331	Capital Stock - Baltimore City Property	10,979.46	10,979.46
		56,320.93	56,320.93
	Total	297,970.26	304,170.26
507	Total Taxes	\$1,190,041.02	\$1,288,016.53



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Schedule 10

## PENNSYLVANIA WATER &amp; POWER COMPANY

INCOME TAX PER BOOKS  
CALENDAR YEAR 1946

Reconciliation of Net Income, Per Books to Taxable Net Income:	<u>1946</u>
Net income per books	\$2,140.873
Add:	
Federal income tax per books	892.071
Federal excess profits tax per books	
Tentative Federal normal and surtax	712.932
Amortization of premium on debt	755
Reserve for retirement annuities	(4,590)
Surplus credits	13.752
Miscellaneous income deductions	
Sub total	<u>3,752.793</u>
Deduct:	
Final Federal taxes (eliminate)	983.846
Dividend revenues (85%)	327.474
Interest capitalized	1.618
Surplus debits	55.708
Sub total	<u>1,368.646</u>
Taxable net income	<u>\$2,387.147</u>
Tax Computation:	
Normal tax net income	\$2,387.147.01
Normal tax at 24%	572.915.28
Normal tax net income	2,387.147.01
Less preferred stock dividends	107.465.00
Surtax net income	2,279.682.01
Surtax at 14%	319.155.48
Total normal and surtax	\$ 892.070.76
Penn. Income Tax	
Taxable net income	\$2,387.147.01
Less 15% of dividends received not taxable in Penn.	57.789.60
Penn. taxable net income	2,329.357.41
Penn. income tax at 2.0255% (50.637% of 4%)	47.181.13
Used	\$ 46,800.00

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Schedule 11

## PENNSYLVANIA WATER &amp; POWER COMPANY

COMPUTATION OF FEDERAL NORMAL TAX AND SURTAX  
CALENDAR YEAR 1946 ON NON OPERATING INCOME

Particulars		Amount
TAXABLE NON OPERATING REVENUES:		
521	Income from Non Utility Operations	\$( 328.21)
523	Dividend Revenues (15% of \$385,264)	57 789 60
524.1	Interest on Securities Owned	54 153 14
524.2	Other Interest Revenues	17 53
526	Miscellaneous Non-Operating Revenues	748.21
401	Miscellaneous Credits to Surplus	none
	Total Non Operating Revenues	112,380.27
NON OPERATING DEDUCTIONS:		
Item X	Directors Fees	\$12,290.00
	Use and Occupancy Insurance	537.73
	A. W. Hawks	2,417 55
	Binding J. E. Aldred Papers	48.00
		15,293.28
	Rate Case Expenses Adjustment	294,379 25
507.9	Penna. Corporate Net Income Tax on Non Operating Income	( 6,200.00)
535	Other Interest Charges	8.72
538	Miscellaneous Income Deductions	26,978.68
	Amortization of Pension Payment for Past Services	23,434.82
414	Miscellaneous Debits to Surplus	none
	Total Non-Operating Deductions	353,894.75
	Taxable Non-Operating Income	\$(241,514.48)
	Federal Normal Tax and Surtax on Non-Operating Income at 38%	( 91,775.51)
	Federal Normal Tax and Surtax on Operating Income (Power Bill)	983,846.27
	Total Federal Normal Tax and Surtax	\$ 892,070 76
Pennsylvania Corporate Net Income Tax		
	Taxable Non-Operating Income (as above)	\$(241,514.48)
	Less: 15% of Dividend Revenues (not taxable in Penna.)	57 789 60
	Penna. Taxable Non-Operating Income	\$(299,304.08)
	Penna. Corporate Net Income Tax on Non Operating Income at 2.0255%	\$( 6,062.40)
	Penna. Corporate Net Income Tax on Operating Income (Power Bill)	53,000.00
	Total Pennsylvania Corporate Net Income Tax	\$ 46,937 60
	Use	\$ 46,800 00

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Schedule 12

## PENNSYLVANIA WATER &amp; POWER COMPANY

DIVIDEND AND INTEREST REVENUES  
CALENDAR YEARS 1945 AND 1946

Particulars	Year Ended December 31	
	1945	1946
<u>Dividend Revenues</u>		
Safe Harbor Water Power Corporation 1/ 100,000 shares common stock (\$3,000,000)	\$ 280,000.00	\$ 280,000.00
Consolidated Gas Electric Light and Power Co. 2/ 29,240 shares common stock (\$1,864,341.38)	105,264.00	105,264.00
Total Dividend Revenues	\$ 385,264.00	\$ 385,264.00
<u>Interest Revenues</u>		
U. S. Savings Bonds and Treasury Notes 3/	\$ 57,265.24	\$ 54,153.14
1/ Dividend Rate \$2.80 per share.		
2/ Dividend Rate \$3.60 per share		
3/ Book and Principal Value of U.S. Securities		
2 1/2% U.S. Savings Bonds Series G	\$ 400,000.00	\$ 400,000.00
1.07% U.S. Treasury Savings Notes Series C	3,200,000.00	1,400,000.00
1 1/4% U.S. Treasury Notes Series B	500,000.00	500,000.00
1 1/4% U.S. Treasury Notes Series C	300,000.00	300,000.00
7/8% U.S. Treasury Certificates of Indebtedness		2,000,475.59
Total	\$4,400,000.00	\$4,600,475.59

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(Corrected Copy)  
Exhibit No. 393  
Schedule 1

**PENNSYLVANIA WATER & POWER COMPANY**  
**EXCESS REVENUES COMPUTED ON THE BASES**  
**OF 5% RATE OF RETURN**  
**CALENDAR YEAR 1946**

Particulars	Per Books	Power Bill		Power Bill As Paid 1/
		As Rendered	At 5% Return	
<b>Operating Revenues:</b>				
Sales of Electric Energy	\$6,305,198.63	\$6,599,577.88	\$6,599,577.88	\$6,305,198
Other Electric Revenues	<u>133,784.65</u>	<u>133,784.65</u>	<u>133,784.65</u>	<u>133,784</u>
Total	<u>\$6,438,983.28</u>	<u>\$6,733,362.53</u>	<u>\$6,733,362.53</u>	<u>\$6,438,983</u>
<b>Operating Revenue Deductions:</b>				
Purchased Power-Safe Harbor	1,016,500.79	1,016,500.79	1,016,500.79	1,012,616
Interchange Power-Net	(1,127,698.73)	(1,127,698.73)	(1,127,698.73)	(1,127,698)
Electric Generation-Steam	683,566.82	683,566.82	683,566.82	683,566
Electric Generation-Hydro	402,895.08	402,895.08	402,895.08	402,895
Transmission	408,483.59	408,483.59	408,483.59	408,483
Administrative and General	571,429.28	571,429.28	571,429.28	571,429
Rate case expenses	319,558.81	319,558.81		117,801
Non-Operating Items	15,293.28			
Depreciation	573,876.79	573,876.79	465,413.00	573,876
Taxes, except Federal Income	297,970.26	304,170.26	262,970.26	293,799
Federal Normal and Surtax	892,070.76	983,846.27	211,216.62	900,478
Total Deductions	<u>4,053,946.73</u>	<u>4,136,628.96</u>	<u>2,894,976.71</u>	<u>3,842,219</u>
<b>Net Operating Revenue</b>	<u>\$2,385,036.55</u>	<u>\$2,596,733.57</u>	<u>\$3,838,385.82</u>	<u>\$2,596,733</u>
<b>Return</b>			<u>1,229,377.00</u>	
<b>Excess Revenues</b>			<u>\$2,609,008.82</u>	

## 1/ Items considered unreasonable

by Consolidated and not paid:

Rate case expenses \$201,757.00

Power purchases-Safe Harbor

rate case expenses 3,881.28

Federal Income tax 83,367.28

Penna. Income tax 5,370.69

Total \$294,379.25



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Schedule 2

**PENNSYLVANIA WATER & POWER COMPANY**  
**COMPUTATION OF AVERAGE INVESTMENT RATE BASE**  
**CALENDAR YEAR 1946**

<u>Particulars</u>	<u>Amount</u>
Average Plant in Service (Note 1)	\$32,939,420
Average Depreciation Reserve (Note 2)	<u>9,001,873</u>
Average Net Investment	23,937,547
< Working Capital (Note 3)	<u>650,000</u>
Net Investment Rate Base	<u>\$24,587,547</u>
Return at 5%	<u>\$ 1,229,377</u>
1. Adjusted Plant 12/31/45	\$32,920,738
Work in Progress in 1945 Power Bill	32,119
Adjusted Plant 12/31/46	32,861,630
Work in Progress in 1946 Power Bill	64,353
Total	<u>65,878,840</u>
Average for 1946	<u>\$32,939,420</u>
2. Depreciation Reserve, per Books 12/31/46	\$ 9,453,867
Adjustments:	
Unrecorded retirements (\$343,928.42)	
Duplicate retirements 8,200.22	
Plant Additions <u>122,488.49</u>	213,240
Depr. Reserve per books 12/31/46, Adjusted	9,240,627
Depr. Reserve per books 12/31/45, Adjusted	8,763,119
Total	<u>18,003,746</u>
Average Depreciation Reserve - 1946	<u>\$ 9,001,873</u>
3. Cash Working Capital:	
Electric generation - Steam	\$ 683,567
Electric generation - Hydro.	402,895
Transmission	408,484
Administrative and General	906,281
Less rate case expense	<u>(319,559)</u>
Total cash operating expenses	2,081,668
Allowance for 45 days	256,644
Materials and Supplies:	
Average monthly balance	<u>396,421</u>
Total Working Capital	<u>\$ 650,000</u>

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Schedule 3

**PENNSYLVANIA WATER & POWER COMPANY**  
**COMPUTATION OF DEPRECIATION EXPENSE**  
**CALENDAR YEAR 1946**

Particulars	Original Cost		Average Depreciable Investment	Depr. Rate	1946 Depreciation Expense
	Dec. 31 1945	Dec. 31 1946			
Intangible Plant:					
Steam Plant:					
Non-Depr.	2,000	2,000			
Depreciable	<u>4,564,336</u>	<u>4,654,661</u>	\$ 4,609,499	2.38%	\$ 109,706
Total Steam	<u>4,566,336</u>	<u>4,656,661</u>			
Hydro Plant:					
Non-Depr.	3,033,552	3,033,914			
Depreciable	<u>12,826,387</u>	<u>12,881,774</u>	12,854,081	1.45	186,384
Total Hydro	<u>15,859,939</u>	<u>15,915,688</u>			
Transmission Plant:					
Non-Depr.	2,940,025	2,937,816			
Depreciable	<u>8,597,518</u>	<u>8,372,912</u>	8,485,215	1.75	148,491
Total Transmission	<u>11,537,543</u>	<u>11,310,728</u>			
General Plant:					
Non-Depr.	55,590	62,944			
Depreciable	<u>728,262</u>	<u>742,539</u>	735,401	2.86	21,032
	<u>783,852</u>	<u>805,483</u>			
Total Plant	<u>\$32,920,738</u>	<u>\$32,861,630</u>	<u>\$26,813,406</u>	<u>1.74</u>	<u>\$ 465,613</u>

4256

Exhibit No. 393

[24461]

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Schedule 4  
Sheet 1 of 2

**PENNSYLVANIA WATER & POWER COMPANY**  
**INCOME TAX COMPUTATION**  
**CALENDAR YEAR 1946**

Particulars	<u>Power Bill</u>	
	<u>As Rendered</u>	<u>At 5% Return</u>
<b>RETURN:</b>		
Base Net Power Revenue	\$2,762,179.69	
Net Additions at 10.25% and 9.5%	895,385.47	
Depreciation at 2-1/2% on Net Additions	(220,755.95)	
Interest at 4% on increase in Depreciation Reserve	(240,075.64)	
Reduction per 1939 agreement	(600,000.00)	
<b>RETURN ON INVESTMENT</b>	<b>\$2,596,733.57</b>	<b>\$1,229,377.00</b>
<b>Operating Expenses</b>		
Power purchased - Safe Harbor	1,016,500.79	1,016,500.79
Power purchased - other	54,495.15	54,495.15
Operation	1,092,388.98	1,092,388.98
Maintenance	402,556.51	402,556.51
General Expense	571,429.28	571,429.28
Rate case expense	319,558.81	
General taxes	304,170.26	304,170.26
Depreciation	573,876.79	465,413.00
<b>TOTAL OPERATING EXPENSES</b>	<b>4,334,976.57</b>	
<b>OPERATING REVENUE (EXCLUSIVE OF FEDERAL INCOME TAX)</b>	<b>6,931,710.14</b>	<b>5,138,791.97</b>
<b>Tax Deductions:</b>		
Operating Expenses	4,334,976.57	3,909,414.97
Additional depreciation		108,268.79
Interest on Long Term Debt	669,335.79	669,335.79
Premium on Bonds Retired	28,050.00	28,050.00
Amort. of Debt Premium and Expense	(17,096.16)	(17,096.16)
Decrease in Reserve for Retirement Annuities	4,589.48	4,589.48
Income Adjustment prior years	(3,874.95)	(3,874.95)
Excess of Non-Operating deductions over Non-Operating income		
Total tax deductions	5,015,980.73	
<b>Tentative taxable net income</b>	<b>\$1,915,729.41</b>	<b>\$ 442,370.00</b>

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Schedule 4  
Sheet 2 of 2

PENNSYLVANIA WATER & POWER COMPANY  
INCOME TAX COMPUTATIONS  
CALENDAR YEAR 1946

Power Bill

<u>Particulars</u>	<u>As Rendered</u>	<u>At 5% Return</u>
<u>FEDERAL INCOME TAXES</u>		
Tentative Taxable Net Income	<u>\$1,915,729.41</u>	<u>\$442,370.05</u>
Tentative Normal tax at 24%	<u>459,775.06</u>	<u>106,168.81</u>
<u>Tentative Surtax</u>		
Tentative taxable net income	<u>1,915,729.41</u>	<u>442,370.05</u>
Less preferred stock dividends	<u>107,465.00</u>	<u>107,465.00</u>
Tentative surtax net income	<u>1,808,264.41</u>	<u>334,905.05</u>
Tentative surtax at 14%	<u>253,157.02</u>	<u>46,886.71</u>
<u>Normal Tax</u>		
Tentative taxable net income	<u>1,915,729.41</u>	<u>442,370.05</u>
Tentative Normal Tax	<u>459,775.06</u>	<u>106,168.81</u>
Tentative Surtax	<u>253,157.02</u>	<u>46,886.71</u>
Taxable net income	<u>2,628,661.49</u>	<u>595,425.57</u>
Normal tax at 24%	<u>630,878.76</u>	<u>142,902.14</u>
<u>Surtax</u>		
Taxable net income	<u>2,628,661.49</u>	<u>595,425.57</u>
Less preferred stock dividends	<u>107,465.00</u>	<u>107,465.00</u>
Surtax net income	<u>2,521,196.49</u>	<u>487,960.57</u>
Surtax at 14%	<u>352,967.51</u>	<u>68,314.48</u>
Total Normal Tax and Surtax	<u>\$ 983,846.27</u>	<u>\$211,216.62</u>
<u>PENNSYLVANIA INCOME TAX</u>		
Taxable net income	<u>\$2,628,661.49</u>	<u>\$595,425.57</u>
Non operating income taxable	<u>46,992.98</u>	<u>46,992.98</u>
Less 15% of dividends received	<u>(57,789.60)</u>	<u>(57,789.60)</u>
Basis for power bill - Penn. tax	<u>2,617,864.87</u>	<u>584,628.95</u>
Penn. income tax at 2.0255%		
(50.637% of 14%)	<u>\$ 53,000.00</u>	<u>\$11,800.00</u>



Page 4258 is blank.

**EXHIBIT No. 394.**

[24463]

**EXHIBITS ATTACHED TO HUTCHINSON'S  
PARTICIPATION**

**Exhibit No. 1—**Morison's report to Hutchinson dated September 18, 1901; also Morison's supplemental report dated October 4, 1901 to Hutchinson.

**Exhibit No. 2 —** Same as agreement introduced in evidence as Exhibit No. 206.

**Exhibit No. 3 —** Morison's report to Hutchinson dated December 21, 1901 re McCall Ferry site.

**Exhibit No. 4 —** Two agreements, both dated February 26, 1902, one of which was entered into between Cary T. Hutchinson and Milton L. Fry and the other between Cary T. Hutchinson and Samuel D. Fry for the acquisition by Hutchinson of the Fry properties.

**Exhibit No. 5 —** Report prepared by Cary T. Hutchinson dated May 5, 1902, recommending higher dam, i.e., elevation 155 instead of 150.

**Exhibit No. 6 —** Same as agreement comprising Part 2 of Exhibit No. 27 except that last three pages of Part 2 of Exhibit No. 27 are not included.

**Exhibit No. 7 —** Same as agreement introduced in evidence as Exhibit No. 207.

**Exhibit No. 8 —** Same as Part 3 of Exhibit No. 27.

**Exhibit No. 9 —** Same as Part 4 of Exhibit No. 27.

**Exhibit No. 10 —** Same as Part 5 of Exhibit No. 27.

**Exhibit No. 11 —** Same as Part 6 of Exhibit No. 27.

**Exhibit No. 12 —** Same as Part 10 of Exhibit No. 27.

Exhibit No. 13 — Same as Part 14 of Exhibit No. 27.

Exhibit No. 14 — Letter dated May 24, 1905, written by P. G. Bartlett to Messrs. McGaw, Harlow and Houseman, Baltimore, Maryland, and reading as follows:

[24464] (page 2)

"We enclose copies of the two agreements of the 27th day of April last with a clause added putting formally in writing the extension of time already arranged by telegram. If you will severally sign these papers, Mr. McGaw alone signing the clause added to the McGaw Bertron agreement, and return them to us so signed, we will have the same signed by Messrs. Harvey Fisk & Sons and Mr. Bertron.

"We would be glad to have Mr. Houseman call up Mr. Bartlett on the telephone, if possible, some time tomorrow (Thursday)."

[Balance of Exhibit 14 same as Part 15 of Exhibit 27]

Exhibit No. 15 — Same as Part 18 of Exhibit No. 27.

Exhibit No. 16 — Same as Part 19 of Exhibit No. 27.

Exhibit No. 17 — Letter dated June 19, 1905, written by Lorenzo Semple to Philip G. Bartlett, reading as follows:

"I send you herewith agreement between Cary T. Hutchinson and Susquehanna Contracting Company, duly signed by Mr. Hutchinson. I am also sending at the same time for Mr. Eddy's use, old deeds to Stony Island and Hartman Island.

Will you please have the checks drawn for the \$750,000 to the order of Cary T. Hutchinson, making two checks, one for the sum of \$155,000, which he will endorse to Beyer and Willson, and the other for the sum of \$594,500."

"P.S. Page 3 agreement contracting co with  
Power co — Art I 'thirty-five' — should be 'thirty'.  
L.S."

**Exhibit No. 18 —** McCall Ferry common stock certificates  
(No. 11 for 150 shares; No. 12 for 1,000 shares; No. 13  
for 18,840 shares; No. 30 for 1,000 shares; No. 32 for  
17,840 shares; No. 43 for 1,000 shares).

**Exhibit No. 19 —** Cary T. Hutchinson's letter to Lorenzo  
Semple dated June 26, 1905, which is included as part  
of Part 24, Exhibit No. 27.

**Exhibit No. 20 —** Agreement dated May 28, 1909 between  
members of bondholders' committee and holders of  
bonds and preferred stock. Included as part of Part  
49, Exhibit No. 27.



[24465]

SUMMARY OF CARY T. HUTCHINSON'S  
PARTICIPATION IN McCALL FERRY  
POWER COMPANY

In the spring of 1899, Charles Fairchild, a private banker of New York, seems to have become interested in financing the Susquehanna Electric Power Company hydroelectric project to the extent of obtaining an option to acquire the company. Fairchild engaged John Bogart, a consulting engineer, to make a study of the plans James H. Harlow had prepared for the development. Cary T. Hutchinson, a consulting electrical engineer, assisted in the study of this proposed development. The option appears to have expired on July 31, 1899, without further consideration of the project by Fairchild.

Sometime following Hutchinson's work on Bogart's report, a man named Coho, whom Hutchinson had known while working for General Electric Company, brought some Lancaster men to him for advice on the electric method of iron ore reduction. Two of these men were William F. Beyer and George B. Willson who, in addition to having an interest in iron ore deposits on Conestoga Creek, had promoted the development of two small hydroelectric plants on the same creek for supplying power to Lancaster.

Apparently successful on the Conestoga, Beyer and Willson formed a co-partnership with three others on September 28, 1899, naming it The York Furnace Power Company. The purpose of this company was to acquire property and rights near York Furnace on the Susquehanna incident to the development of hydroelectric power.

[24466] (page 2)

From July to October, 1900, a field party under the direction of H. W. Crawford was engaged in surveys and

flow observations for this group. Two reports and an estimate of cost for a power development near York Furnace were submitted that fall by Crawford. It was about this time that Hutchinson apparently became interested in Beyer and Willson's efforts to develop power on the Susquehanna.

Hutchinson, an electrical engineering consultant, apparently wanted some expert civil engineering advice before becoming too deeply involved in power development. Consequently, he arranged with George S. Morison, a member of the Panama Canal Commission and an outstanding civil engineer of his time, to make a detailed study of the York Furnace project. Hutchinson has stated that he and Morison first undertook the investigation and development of the river as partners, but that later he bought out Morison's interest and retained him as a consultant. Morison, apparently, continued in this latter capacity until his death in July, 1903. Morison engaged Boyd Ehle as resident engineer in charge of the field work. Ehle spent July and August, 1901, in the vicinity of York Furnace and then went to New York to work up the results of the surveys. Concurrently, Hutchinson was attempting to obtain power contracts with the idea of developing the York Furnace site.

On September 18, 1901, Morison submitted his report to Hutchinson, stating that while the project was much less attractive than Crawford had presented it, there were possibilities [24467] (page 3) of developing about a 30 ft. head without relocating the Columbia and Port Deposit Railroad tracks. Two weeks later, Morison submitted a supplementary report for a 40 ft. head which would involve relocation of the tracks. (See Exhibit #1)

About the first of October, 1901, Hutchinson made a payment of \$3,500. to the partners of the York Furnace Power Company. For this, he presumably received some sort of an option on their property because later, in formally granting an option, acknowledgment of this payment is made as one of the considerations. (See Exhibit #2)

Meanwhile, the results of these studies did not appear sufficiently favorable to warrant further investigation at that location. At Hutchinson's request, they were continued downstream to a point about a mile below McCall Ferry. Ehle was in charge of the field work through October and most of November, 1901. On December 21, 1901, Morison submitted his report on the McCall site to Hutchinson. (See Exhibit #3) Two estimates were made: One, based on a dam crest at elevation 150 involving raising the railroad tracks for about a mile with little relocating; the other, for crest elevation 155 involving five miles of railroad relocation.

A dam at the McCall Ferry site with crest elevation of 150 would, of course, flood all the land which would have been flooded by a dam with the same crest elevation at the York Furnace location, so the change in location did not alter Hutchinson's need of keeping the York Furnace option in effect. [24468] (page 4) He, therefore, paid the partners an additional \$2,000. on January 9, 1902. (See Exhibit #2) About this time, he interested his father-in-law, Henry F. Dimock, in the enterprise, and received financial assistance from him. On February 21, 1902, Hutchinson made an additional payment of \$30,000. and had a formal option signed by all parties involved, which was later recorded in York County.

This option provided for an additional payment of \$109,500. if exercised by January 1, 1903 and could be extended for another year by an additional payment of \$10,000. (See Exhibit #2)

Lorenzo Semple of the firm of Coudert Brothers was one of the witnesses present at the signing of this agreement and was the attorney who represented Hutchinson. Semple represented Hutchinson's interests from this time until after the formation of the McCall Ferry Power Company.

About the same time that Hutchinson made the \$30,000. payment on the York Furnace properties, he was negoti-

ating for the very important Fry properties. These included tracts on both sides of the river, islands, and the stock of the McCall's Ferry Company. There were two agreements executed. Samuel D. Fry's called for a consideration of \$20,000. and Milton L. Fry's \$50,000. (See Exhibit #4)

In the meantime, George K. McGaw, James H. Harlow and their associates, who had been active in forming township companies for water power developments along the Susquehanna, [24469] (page 5) continued their studies and the acquisition of land and water rights. There was considerable rivalry between this group and the Hutchinson-Dimock group, each trying to acquire property necessary for their own development and enough other property to interfere with their opponents. Each group also attempted to secure sufficient financial backing to purchase all the property and rights necessary for one development and begin construction.

Harlow-McGaw finally succeeded in purchasing the old Susquehanna and Tidewater Canals at Receiver's sale and took title to these canals in April, 1902. Title to the Tidewater Canal in Maryland was retained by Harlow and McGaw as individuals but that of the Susquehanna Canal in Pennsylvania was vested in the newly formed Susquehanna Canal and Power Company. The Hutchinson group, through Beyer, protested to the Secretary of the Commonwealth the reorganization of the Susquehanna Canal as the Susquehanna Canal & Power Company. A hearing was held, but the protest was of no avail.

Hutchinson and his associates having already paid \$35,500. for the York Furnace option and having spent considerable for field work, engineering advice and acquisition of additional land and water rights were faced with the problem of securing rights from the Harlow-McGaw interests in order to abut their proposed dam on the York County side of the river and flood a portion of the canal.



[24470] (page 6)

Rights of eminent domain had not then been established for water power companies in Pennsylvania. On May 17, 1902, Hutchinson and Dimock engaged John G. Johnson of Philadelphia, an eminent authority on corporation law.

Under date of May 28, 1902, Johnson expressed the following opinions:

1. The Susquehanna Canal and Power Company could probably secure an injunction to prevent other interests flooding their canals.
2. It would be well to take steps without delay, for the organization of the proposed water power company, unless a compromise (with the Harlow-McGaw interests) within a short time is probable.
3. The difficulties which will be encountered at the hands of the opponents are of sufficient importance to justify purchasing all their rights at a price larger than the one which represents the intrinsic worth of the things to be purchased.

The Harlow-McGaw interests made further attempts to strengthen their position on the river in Pennsylvania by forming on May 23, 1902, township water power companies on both sides of the river from the Maryland-Pennsylvania-state line to Columbia, Pa.

As previously stated, in December 1901, Morison had recommended the McCall Ferry site for a dam instead of the York Furnace site. On May 5, 1902, Hutchinson strongly recommended the higher dam (Elev. 155 instead of 150), and made an estimate of cost and earnings. (See Exhibit #5)

[24471] (page 7)

About this time Hutchinson and Dimock made an attempt to get control of the whole river and buy out the

Harlow-McGaw interests. They also attempted to get contracts for the sale of power in Baltimore and Lancaster.

On July 17, 1902, applications were made on behalf of the Hutchinson interests for charters for The Hillside Water and Power Company and Susquehanna Water and Power Company, the former in Lower Chanceford Township, York County, and the latter in Martic Township, Lancaster County. A protest against the formation of these companies was filed by Harlow-McGaw and although a hearing was held on August 28th, letters patent were issued for both companies on September 2nd. Subsequently, Beyer was elected president of both companies and Willson secretary.

As early as August, 1902, Semple had suggested that Hutchinson offer his Peach Bottom properties below McCall Ferry to the Harlow-McGaw interests in exchange for complete release by the latter of all holdings necessary for the development at McCall Ferry. In November, 1902, Johnson mentioned the possibilities of a compromise and gave as an alternative, getting a bill through the coming Legislature for the forfeiture of the canal charter on the grounds of "nonuser and misuser". Semple wanted Beyer to sound out the Harlow-McGaw group as to the price they would demand for flowage rights on the canal above McCall Ferry. Hutchinson [24472] (page 8) evidently received some terms for such a release but these terms are not known. Judging from Johnson's reaction when hearing them, they must have been quite unfavorable to the Hutchinson-Dimock interests.

Having been unsuccessful in their attempt to block recognition of the validity of the Susquehanna Canal and Power Company as a reorganization of the old Susquehanna Canal Company, the Hutchinson interests apparently attempted to have the canal charter rescinded by the Pennsylvania Legislature which convened on January 6, 1903.

Just before the close of the legislature the bill seemed assured of passage but the Hutchinson interests believed

the governor would veto it. The uncertainty on one hand of this group as to the final result and the apparent successful passage which the Harlow-McGaw group recognized, seemed to make both interests willing to compromise. This action resulted in an agreement whereby Hutchinson-Dimock obtained the rights to construct their dam across the canal conditioned on the installation and operation of canal navigation facilities. (See Exhibit #6)

Although this agreement called for execution of its terms within six months, it was subsequently extended to May 15, 1905.

By the middle of 1903 industrial conditions and the financial markets were unfavorable for attempting to [24473] (page 9) finance the development and it was necessary to extend existing options to avoid heavy cash expenditures in exercising them.

Holman, one of the York Furnace Power Company partners, refused to renew the option and it expired on January 1, 1904. It then became necessary for Beyer and Willson to buy out their opposing partner. This was done and a new option signed on April 14, 1904. The consideration stated in the new option was about \$46,000. more than had been specified in the original one. It is not clear why this increase was made other than perhaps by \$10,000. charged for renewal privileges in the old option.

The new option provided for the payment of \$155,500. by January 1, 1906 with a privilege of annual renewals to January 1, 1909 by the payment of \$5,000. on each renewal date. (See Exhibit #7) To guarantee faithful performance on the part of Beyer and Willson, they executed deeds of conveyance of all their properties to Hutchinson and placed them in escrow.

There had been but little activity in the prosecution of the McCall Development since the spring of 1904, but that the plans had not been entirely suspended was evidenced by the fact that on January 13, 1905, William Barclay Parsons, a prominent New York engineer, submitted to Cary T.

Hutchinson a plan for the proposed hydro power plant. (See Exhibit #8) [24474] (page 10) It may be well to review here briefly the engineers who are known to have worked on the project for the Hutchinson interests up to this time.

George S. Morison had been consulted in regard to the site for the McCall Ferry development and had submitted three reports to Hutchinson in the latter part of 1901. Boyd Ehle, who was engaged in the field work for Morison, continued to report to him until the end of 1902. It is presumed Morison continued interested in the development, if not active, until his death July 1, 1903. Major Josiah Pierce, Jr., had practically completed his study and report at the time of his death. Some time subsequent to Morison's death, William Barclay Parsons was asked to check over Morison's figures and submit a report to Hutchinson. His recommendation for the McCall dam was elevation 155 and his estimate of cost for the dam, power house, hydraulic and electrical equipment, substations and three transmission lines to Philadelphia was \$4,041,000. Everything was included in this figure except land, water rights, etc. The plant could deliver 37,500 Kw. in Philadelphia during an average year on all but thirty days and during a dry year on all but one hundred days. An additional investment of not more than \$1,000,000. in steam auxiliary would have been required to have enabled the plant to deliver 37,500 Kw. at all times in Philadelphia. (See Exhibit #8)

About the same time, Semple who was attorney for the [24475] (page 11) Hutchinson interests, was arranging to consolidate the Susquehanna and Hillside Water & Power Companies which had been incorporated in 1902 in townships on opposite sides of the river. The proposed dam and power house would lie within these townships.

Hutchinson-Dimock either owned in fee or had water power rights sufficient to construct a dam at McCall's Ferry. Harlow-McGaw, who owned the bed of the old



Susquehanna Canal, had also organized water power companies on each side of the river and projected a line of railroad upon one side of the river. All of these properties would have been affected by the proposed development of Hutchinson-Dimock; therefore, as previously mentioned, an agreement had been made in 1903 with Harlow-McGaw by which all opposition upon their part was to be removed.

The contemplated Hutchinson-Dimock plan called for a company with an authorized capital stock of \$8,000,000., one-half in preferred and one-half in common, and an authorized issue of bonds of \$8,000,000. The proposed company was to be called the Pennsylvania Power Company. A chain of township electric power companies was to be formed to effect the transmission of power to Lancaster and Philadelphia. Under the terms of a contract, Hutchinson was to receive \$3,000,000. in preferred, a like amount in common stock and \$6,000,000. of bonds. In return, Hutchinson was to convey all his real estate, [24476] (page 12) riparian rights, releases of damages, etc., owned by him along the Susquehanna River near McCall's Ferry. He would further agree to construct a dam, buildings, machinery, reservoirs, etc., for a complete electric water power plant and to erect transmission facilities for carrying power to Philadelphia, Lancaster and Baltimore or such places as might be necessary. The remaining securities were to be used to acquire all the other water power rights along the Susquehanna River to tide-water. (See Exhibit #9)

This plan was submitted to John G. Johnson, who, in his opinion on the proposal, agreed that the plan was substantially possible. (See Exhibit #9)

At the same time, Hutchinson prepared a form of underwriting agreement which, with minor changes, appeared in printed form under date of March 1, 1905. (See Exhibit #10) Although the Prospectus and Underwriting Agreement was dated March 1st there are indications that

it was not completed in its final printed form until after March 9th.

This underwriting agreement provided that Henry F. Dimock, S. R. Bertron, and Charles T. Barney were to be the Managers, with Knickerbocker Trust Company as the proposed "Trust Company," and Susquehanna Securities Company (to be incorporated later) as the proposed "Securities Company." It was intended to secure underwritings for \$8,000,000. of First Mortgage Bonds at ninety per cent of par of a corporation to [24477] (page 13) be organized and to be called McCalls Ferry Power Company and to arrange whereby the Knickerbocker Trust Company would advance on the bonds so underwritten, seventy-five per cent of par. The subscribers were to receive a bonus of 50% in preferred stock. 40,000 shares of preferred stock and a like amount of common with a par value of \$100. per share were to be issued. It was provided that subscriptions to \$6,000,000. of bonds were needed before the agreement was to become effective. (See Exhibit #10)

The fundamental differences between the original Hutchinson-Dimock plan, as submitted to Johnson, and that as presented in the Underwriting Agreement of March 1st are: (1) that Hutchinson, as an individual, has been replaced by the "Susquehanna Securities Company" and (2) Charles T. Barney appears as the third member of the Syndicate Manager group.

While the Susquehanna Securities Company was never incorporated, the draft of its proposed charter discloses that Hutchinson was to own thirteen of the fifteen shares. (See Exhibit #11) Thus the substitution indicated as (1) in the preceding paragraph was not a change in control but merely the substitution of a corporation controlled by an individual for that individual personally.

Some subscriptions under the March 1st underwriting seem to have been obtained in the early part of March, principally from Lee, Higginson & Company's customers. Other subscriptions probably came in through other sources, but

it appears that the total received by the middle of March was [24478] (page 14) less than 50% of the required underwriting. We surmise that the response from solicitations indicated either extreme difficulty or complete failure in disposing of the bonds necessary to make the Underwriting Agreement effective.

Hutchinson has stated that Bertron became convinced that the Underwriting was more than his firm should have undertaken and approached Harvey Fisk & Sons to obtain their aid in financing. This apparently occurred some time between the tenth and the twenty-fifth of March 1905. If the financing could not be completed, the Hutchinson interests were confronted with the prospects of an indefinite delay in securing release of funds expended on the enterprise during the previous four years, as well as the possibility of the interests on the lower river securing sufficient financing to construct their plant, and gaining the desirable markets for power. They apparently chose the safer course of securing immediate financing even though it entailed relinquishing control of the enterprise.

The result of the negotiations was the March 25, 1905 Bond and Stock Purchase Agreement in which Harvey Fisk & Sons as "Bankers" undertook to complete the financing unsuccessfully started by the Hutchinson-Dimock group. Under Harvey Fisk & Sons' plan \$8,000,000. par value of bonds of the McCall Ferry Power Co. (then called the Susquehanna Power Co.) were to be sold on the basis of each \$1,000. bond and \$450. of preferred stock yielding \$900. cash. (See Exhibit #12) This plan also provided loans for the underwriters to approximately [24479] (page 15) the same extent as the Dimock-Bertron-Barney plan. It should be noted that these loans were actually made by the Knickerbocker Trust Company which was the bank designated to make the loans under the Dimock-Bertron-Barney underwriting. The terms upon which Harvey Fisk & Sons undertook the financing are not disclosed in our records, nor their arrangements with Bertron, Storrs and Griscom,

who seem to have become silent co-bankers in the new set-up.

From an analysis of the material in our possession, it appears that the Hutchinson group not only gave up their syndicate plans but also had to surrender control to Harvey Fisk & Sons. We have been unable to determine how this control was actually exercised.

It seems proper, at this point, to comment generally on the changes in the predominant interests that had taken place. Coudert Brothers who had been attorneys for Hutchinson in all of his preliminary work, had dropped into the background by June, 1905. Simpson, Thacher and Bartlett became the attorneys for McCall Ferry Power Company beginning in March, 1905. Harvey Fisk & Sons became the dominant interest as Bankers or Syndicate Managers and placed Wm. M. Barnum with the Company in important positions. Charles A. Coffin became prominent in the executive offices. S. R. Bertron took up some of the important negotiations and became a director. Lee, Higginson & Company took a large portion of the underwriting and became [24480] (page 16) active in the Company affairs. Hutchinson and Dimock, who had previously been in absolute control of the development, seem to have relinquished this control and held only a minority interest in the project. All of these changes came about at the time of the execution of the Underwriting Agreement of March 25, 1905, or shortly thereafter.

The Agreement of Merger and Consolidation between The Hillside Water and Power Company and Susquehanna Water and Power Company to form the McCall Ferry Power Company was executed under the date of April 1, 1905, and letters patent were issued on April 14th. This work was being carried out by Beyer under the direction of Semple, who in turn, was then keeping Simpson, Thacher and Bartlett informed of all legal matters previously under his control.



The capital stock of the McCall Company was to consist of ten shares of \$100. par value each. The stock of the merging companies was to be exchanged on a share for share basis for stock in the new or McCall Company.

Directors and Stockholders

W. F. Beyer	2 Shares
Geo. B. Willson	2 "
Jacob Hill Byrne	2 "
W. Frank Jack	2 "
Walter M. Franklin	2 "

Officers

President — W. F. Beyer  
Secretary and Treasurer — Geo. B. Willson

While the foregoing events were transpiring in regard to the McCall Ferry development financing, a promoter [24481] (page 17) named Charles D. Pullen had been active on the lower river below McCall's Ferry. On February 28, 1905, he obtained an option on all the Harlow-McGaw interests with the proviso that he must also secure both the Hutchinson-Dimock interests and those of the Susquehanna Power Company—another competing interest. All property and rights were to be placed in one corporation for a systematic development of the river. On March 21st, Pullen obtained an option on the Susquehanna Power Company rights. Apparently, unable to interest the Hutchinson-Dimock group in his proposition, he secured a new option from Harlow-McGaw not predicated on securing the McCall Ferry participation.

Apparently, Harlow-McGaw felt that the Hutchinson-Dimock group's success in obtaining financing for their McCall development had jeopardized any chance for immediate progress under the Pullen option. Accordingly, on April 18, Houseman presented a plan to Harvey Fisk & Sons for consolidation of all interests. The plan called for

enlarging the canal from tide-water to Wrightsville and Columbia, Pa., where a large reservoir was to be located. Here also were to be docks and landings and direct connections with the Pennsylvania and the Reading Railroad systems. The 200 ft. fall in the river was to be utilized by the development, under the supervision of James H. Harlow, of five hydro power plants capable of a combined output of 250,000 h.p. (See Exhibit #13) The McCall group, however, evidently did not desire to consider a consolidated [24482] (page 18) project. We have no papers in our file which indicate any change in this attitude, but on April 27, 1905, Harlow-McGaw disposed of all their properties, rights and other assets associated with their interest on the Susquehanna to Harvey Fisk & Sons. On the same date, McGaw executed an agreement with Bertron, transferring to him all his stocks in certain companies. These two agreements were deemed to be parts of the same transaction whereby Harlow-McGaw, in exchange for all their property, rights, and other stock, interests on the river were to receive from Harvey Fisk & Sons:

1. \$200,000. in cash
2. \$250,000. par in McCall Ferry Bonds
3. \$100,000. par in McCall Ferry Common Stock  
(See Exhibit #14)

The agreement of April 27th, whereby Harlow-McGaw disposed of their holdings to Harvey Fisk & Sons for cash, bonds and stock, was made subject to the prior agreements of Harlow-McGaw with Pullen and, therefore, could be carried out only if Harvey Fisk & Sons purchased the Pullen option or waited for it to expire. Therefore, Bertron purchased Pullen's options on April 29th for \$10,000. cash and 150 shares of McCall Ferry Power Company common stock.

In accordance with the provisions of the Bond and Stock Purchase Agreement, Harvey Fisk & Sons, on May 15, made arrangements for loans from the Knickerbocker

Trust Company totaling \$4,424,400., the amount of the unpaid deferred subscriptions. The Trust Company was to make installment advances as called for from time to time from June 1, 1905. [24483] (page 19) Subsequent switching of class of subscriptions by certain underwriters reduced the total loan to \$4,337,600.

Presumably, the necessary legal work for the execution of the major agreements of the McCall Company had been completed by the middle of June, 1905, for most of the important contracts were made about this time. The first event of significance was the incorporation of the Susquehanna Contracting Company which took place on June 12th, and was to the firm of Harvey Fisk & Sons substantially what the proposed Susquehanna Securities Company would have been to Dimock-Bertron-Barney under the March 1st underwriting. We assume that it provided the mechanics for legally issuing the McCall Ferry Power Company securities and relieved Harvey Fisk & Sons, as a partnership, from any possible future liability which might result from the financing.

On June 13th, the day following the incorporation of the Contracting Company, an agreement was executed between the McCall Company and the Contracting Company. It provided for the transfer to the McCall Company of all the property and flowage rights of both the Hutchinson-Dimock and the Harlow-McGaw interests, stock in the river companies which Harvey Fisk & Sons had purchased from Harlow-McGaw, and \$6,400,000. in cash for plant construction and additional property acquisition. In return, the McCall Ferry Power Company agreed to issue to the Susquehanna Contracting Company \$8,483,000. bonds, \$4,116,500. preferred stock and \$4,999,000. common stock. (See Exhibit #15)

[24484] (page 20)

On the next day, June 14th, the Contracting Company made an agreement for the purchase of all the property,

rights and interests of Cary T. Hutchinson. In return, it provided for the conveyance of the following consideration to Hutchinson:

1. Cash	\$ 750,000.
2. Common Stock	4,884,000.
3. Preferred Stock	400,000.

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Total	\$6,034,000. (See Exhibit #16)
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The \$750,000. was paid in two checks. (See Exhibit #17) One check for \$155,500. was endorsed to Beyer and Willson to exercise the York Furnace option. The other for \$594,500. was, according to Hutchinson's statement, used by him to reimburse with interest, those who had made advances for the acquisition of lands and water power rights, and for engineering and legal services, traveling and office expenses and other necessary preliminary development costs. Hutchinson has told us that he has not retained records of these transactions, and does not remember the amounts of the various items of cost. We have found only fragmentary evidence concerning these expenditures and therefore they cannot be definitely classified.

As will be shown later, a voting committee was formed and voting trust certificates issued. We have been unsuccessful in locating any record of the voting trust certificates and have, therefore, been unable to trace the actual ownership of much of the common stock which, during the life of the voting trust, continued to stand in the name of the Contracting Company. The original ten shares of common stock, resulting from the consolidation of the Hillside and Susquehanna [24485] (page 21) Water and Power Companies, were issued to the original five incorporators. Subsequently, these seem to have been endorsed in blank, and held by Dimock and Hutchinson. Executed contracts and agreements account for the common stock, as follows:



Date	Certificate Number	Issued to	Shares
6/1/05	1-5	Two shares each to original incorporators— Held by Dimock and Hutchinson	10
	6-10	Cancelled (Not used on account of change in name of Company)	—
8/8/05	11	Susquehanna Contracting Co.—(For Pullen)	150
"	12	Susquehanna Contracting Co.—(For McGaw, et al.)	1,000
"	13	Susquehanna Contracting Co.—(For Hutch- inson Agreement)	18,840
"	14	Susquehanna Contracting Co.—(For Hutch- inson Agreement)	30,000
Total			50,000

It will be noted that Nos. 13 and 14 total the 48,840 shares mentioned in the agreement between the Contracting Company and Hutchinson. The fact that two certificates were issued to cover this transaction indicates that at least one certificate was probably intended to be assigned to someone other than Hutchinson. The stock book in our possession does not show that Certificate No. 14 for 30,000 shares was ever turned in for subdivision or cancellation. Certificate No. 13 for 18,840 shares was turned in for re-issue according to the stock certificate book as follows:

Date	Certificate Number	Name	Shares
5/25/09	30	Thomas Newhall	1,000
7/14/09	43	Lorenzo Semple	1,000
7/14/09	45	Susquehanna Contracting Co.	16,840
Total (See Exhibit #18).			18,840

[24486] (page 22)

Hutchinson has informed us that Newhall was an engineer who rendered services in connection with the relocation of the railroad tracks to permit the construction of

the dam. He also stated that his (Hutchinson's) stock was used as a common fund for certain payments of this kind. The shares which went to Semple were part of his compensation for services rendered to the promoters prior to Harvey Fisk & Sons first connection with the project. (See Exhibit #19) The fact that these shares came from the 18,840 block is the basis for the deduction that this block of stock was owned by the Hutchinson interests. It would, therefore, appear that the certificate for 30,000 shares representing 60% of the common stock probably went to the Bankers. A search of the McCall Company and Contracting Company books of account fails to reveal any payments to Harvey Fisk & Sons. The entire proceeds obtained from the underwriting were passed on for the use of the McCall development, no cash commission being retained by Harvey Fisk & Sons for disposing of the bonds. The Banking group certainly was paid in some manner, for it is inconceivable that such services were rendered gratis. It appears to have been the general practice of Bankers to accept stock as their compensation for securing underwriting in enterprises of this character. Certain others, whom we assume were associated with Harvey Fisk & Sons in the McCall Ferry enterprise, received common stock for their services; namely, Lee, Higginson & Company and Bertron, Storrs & Griscom. Being unable to find any other means of remuneration [24487] (page 23) for the Bankers except a small amount of preferred stock mentioned hereinafter and in consideration of their general practice under similar circumstances, we have concluded that Harvey Fisk & Sons and their associates must have accepted common stock as their chief compensation for the services they rendered the McCall Company.

On November 21, 1906, Bertron, Storrs and Griscom recorded the receipt of 12,462½ shares of common stock which is exactly one-quarter of the total issue after Pullen's 150 shares have been deducted. Since the common stock certificate book does not show the issuance of this

block, we assume it must have been in the form of voting trust certificates. As Bertron, Storrs and Griscom were associated with Harvey Fisk & Sons as Bankers in this underwriting, this block was probably part of the 30,000 shares we believe the Bankers received. Bertron, Storrs & Griscom subsequently furnished Lee, Higginson & Company 5,000 shares of common stock out of the 12,462½ shares they had received.

In addition to the common stock, there were 4,000 shares of preferred stock which were made a part of the Hutchinson contract consideration. Preferred Stock Certificate No. 1 was issued in the name of the Susquehanna Contracting Company, but it went, eventually, to persons other than Hutchinson. There is no other preferred stock certificate for 4,000 shares, so we feel certain that this Certificate No. 1 represents the 4,000 shares stated in the Hutchinson Agreement.

[24488] (page 24)

It has previously been stated that Harvey Fisk & Sons had signed an agreement with Harlow, McGaw and Houseman on April 27, 1905, whereby Harvey Fisk & Sons would acquire the canals and all other river property and interests of the Harlow-McGaw group upon the payment of \$200,000. cash, \$250,000. in bonds and \$100,000. in common stock of the McCall Company. On June 14th, Harvey Fisk & Sons assigned this agreement to the Susquehanna Contracting Company, the latter assuming the payment obligations and receiving the property stipulated.

The following day (June 15th) an agreement was signed by the Contracting Company and Harlow, McGaw and Houseman, verifying the above assignment and arranging for the delivery of the McCall bonds and stock. This was countersigned by Harvey Fisk & Sons who guaranteed performance by the Susquehanna Contracting Company.

By an agreement dated June 15, 1905, the Knickerbocker Trust Company was made trustee under the mortgage securing the issue of McCall Ferry Power Company bonds,

On June 16th, Bertron, Storrs and Griscom assigned to the Contracting Company the option which they had acquired from Pullen on April 29th. On this day also, title to the property obtained from Harlow McGaw was vested in A. P. Bartlett and Ross A. Mackey, who, in turn, executed a declaration of trust, naming the Susquehanna Contracting Company as beneficiary. Similar transactions were made June 20th regarding the property acquired from Hutchinson.

[24489] (page 25)

The following were elected directors of the McCall Ferry Power Company at the stockholders' meeting, August 8, 1905:

W. F. Beyer	Geo. B. Willson
Henry F. Dimock	A. C. Bedford
Charles A. Coffin	Wm. M. Barnum
Gardiner M. Lane	Rodman E. Griscom
William Barclay Parsons	W. Marriott Canby
E. J. Berwind	J. J. Hope
Cary T. Hutchinson	Pliny Fisk
S. R. Bertron	

The directors then appointed an executive committee consisting of the following:

Henry F. Dimock  
Charles A. Coffin  
Wm. Barclay Parsons  
Wm. M. Barnum

(Gardiner M. Lane) who was soon replaced by S. R. Bertron.



The officers were:

President	— H. F. Dimock
Vice President	— J. A. Keppleman
Secretary-Treasurer	— Wm. H. Barnum
Chief Engineer	— C. T. Hutchinson

In an agreement dated January 20, 1906, a Voting Committee was named consisting of H. F. Dimock, Wm. M. Barnum and S. R. Bertron. Other main provisions of the agreement were:

1. Stockholders were to deposit their stock with Harvey Fisk & Sons.
2. Certificates were to be assigned for transfer to Harvey Fisk & Sons who would hold the stock until November 1, 1908.
3. Harvey Fisk & Sons were to vote each share of stock deposited as directed in writing, signed by any two of the Voting Committee.
4. Harvey Fisk & Sons or any of the Voting Committee "may be depositors of stock hereunder."

[24490] (page 26)

Harvey Fisk & Sons kept the records of the stock deposited under this agreement and we believe these records were destroyed in 1924.

After the original financing, a change in plans for the development to materially increase the capacity, required more money than was originally provided. By the time the additional funds were needed, the financial market appears to have become unfavorable for financing. The Knickerbocker Trust Company went into receivership in the fall of 1907, but arrangements were made for it to complete the loan provided for in 1905. By mid-summer of 1908, the cash available to the McCall Company was practically exhausted.

In July 1908, the question was raised as to the possibility of using the unissued bonds to secure loans from the directors or others financially interested in keeping the company intact. It was apparently contemplated to obtain loans of \$100,000. from each of the following:

1. Harvey Fisk & Sons
2. Lee, Higginson & Company
3. Bertron, Storrs and Griscom
4. C. A. Coffin
5. H. F. Dimock

However, for some reason not now known, Dimock failed to make his loan, although on October 28, 1908 loans of \$100,000. each were made by the other four.

Construction had been started toward the close of 1905 and progressed uninterruptedly until the end of 1907, when failure of the Knickerbocker Trust Company, temporarily [24491] (page 27) interrupted the loans being made by that institution. When arrangements were made with the Receivers of the Trust Company for completion of the loan, work was resumed in the spring of 1908. As previously stated, the additional financing for the increased capacity of the plant had been postponed until the condition of the financial market precluded doing it successfully. Therefore, the 1908 work was curtailed commensurate with the available cash. This being exhausted by the fall of 1908, the work again closed down.

The McCall Ferry Power Company defaulted on its bond interest due December 15, 1908. Anticipating the inability of the company to meet its obligations, the holders of a large portion of the bonds outstanding asked the following to act as a Committee in the interests of holders of bonds and preferred stock:

Wm. M. Barnum  
A. C. Bedford  
S. R. Bertron  
C. A. Coffin  
G. M. Lane

Public announcement of the formation of this committee and the impending default was made to all bondholders on December 7, 1908 over the names of

Harvey Fisk & Sons  
Lee, Higginson & Company  
Bertron, Storrs and Griscom  
H. F. Dimock  
C. A. Coffin

With the announcement also went a request and agreement for the deposit with the committee of bonds and preferred stock.

[24492] (page 28)

William M. Barnum was elected Chairman of the Committee and a plan was presented to the Bondholders under date of May 28, 1909. (See Exhibit No. 20) Hutchinson, Sanderson and Porter and others attempted to prevent the deposit of bonds with this Committee, but, nevertheless, practically all of the Bondholders eventually agreed to this plan which resulted in a reorganization of the McCall Ferry Power Company to form the Pennsylvania Water & Power Company on January 13, 1910.

## EXHIBIT No. 395.

[24493]

## EXHIBITS ATTACHED TO FISK PARTICIPATION

Exhibit No. 1 — Same as Part 3 of Exhibit No. 27.

Exhibit No. 2 — Same as Part 4 of Exhibit No. 27.

Exhibit No. 3 — Same as Part 5 of Exhibit No. 27.

Exhibit No. 4 — Same as Part 6 of Exhibit No. 27.

Exhibit No. 5 — Same as Part 10 of Exhibit No. 27.

Exhibit No. 6 — Same as Part 14 of Exhibit No. 27.

Exhibit No. 7 — Letter dated May 27, 1905, written by P. G. Bartlett to Messrs. McGaw, Harlow and Houseman, Baltimore, Maryland, and reading as follows:

“We enclose copies of the two agreements of the 27th day of April last with a clause added putting formally in writing the extension of time already arranged by telegram. If you will severally sign these papers, Mr. McGaw alone signing the clause added to the McGaw Bertron agreement, and return them to us so signed, we will have the same signed by Messrs. Harvey Fisk & Sons and Mr. Bertron.

“We would be glad to have Mr. Houseman call up Mr. Bartlett on the telephone, if possible, some time tomorrow (Thursday).”

[Balance of Exhibit 7 same as Part 15 of Exhibit 27.]

Exhibit No. 8 — Includes (1) two form letters of Harvey Fisk & Sons dated May 3, 1905 and May 4, 1905, respectively, used in making allotment of McCall Ferry bonds to subscribers; (2) form letter of Harvey Fisk & Sons dated April 12, 1906 calling for third installment of 10% on or before May 3, 1906 from non-deferred subscribers; (3) three copies of forms used



by Harvey Fisk & Sons for the purpose of acknowledging receipt of installment payments.

Exhibit No. 9 — Photostat of record of Harvey Fisk & Sons recording receipt of \$1,440,000 from McCall Ferry bond subscribers—first 20% payment—to the credit of Susquehanna Contracting Company on May 15, 1905. Record shows disbursements made by Susquehanna Contracting Company through Harvey Fisk & Sons totaling \$1,007,716.22 (Bertron, Storrs & Griscom \$10,022.12; Geo. K. McGaw and others \$195,432.00; M. H. Houseman \$5,000; Cary T. Hutchinson \$594,500, \$155,500; Simpson, Thacher & Bartlett \$47,307).

[24494] (page 2)

Exhibit No. 10 — Same as Part 16 of Exhibit No. 27.

Exhibit No. 11 — Same as Part 18 of Exhibit No. 27.

Exhibit No. 12 — Same as Part 19 of Exhibit No. 27.

Exhibit No. 13 — McCall Ferry common stock certificates (No. 12 for 1,000 shares issued to Susquehanna Contracting Company, dated August 8, 1905; No. 13 for 18,840 shares issued to Susquehanna Contracting Company, dated August 8, 1905; No. 30 for 1000 shares issued to Thomas Newhall, dated May 25, 1909—part of 18,840 shares; No. 32 issued to Susquehanna Contracting Company for 17,840 shares, dated May 25, 1909).

Exhibit No. 14 — Letter dated May 27, 1938, written by J. O. Adams of Bertron, Griscom & Co., Inc., to James L. Rintoul, Penn Water. This letter is included as a part of Part 22 of Exhibit 27.

Exhibit No. 15 — Same as Part 11 of Exhibit No. 27.

Exhibit No. 16 — Includes photostats of three McCall Ferry preferred stock certificates (No. 1 for \$,000

shares, dated August 8, 1905, issued to Susquehanna Contracting Company; No. 216 for 200, dated November 7, 1908, issued to Electrical Securities Corporation; No. 217, dated November 7, 1908, issued to Susquehanna Contracting Company for 3,800 shares). Also embraces two letters, one dated November 12, 1908, written by Harvey Fisk & Sons to J. W. Young, Vice President of McCall Ferry, and the other dated November 18, 1908, written by Harvey Fisk & Sons to C. H. Keep, President, Knickerbocker Trust Company, New York City (See description of Exhibit No. 8 attached to Lee, Higginson participation).

Exhibit No. 17 — Same as Part 20 of Exhibit No. 27.

Exhibit No. 18 — Same as Part 44 of Exhibit No. 27.

Exhibit No. 19 — Agreement dated May 28, 1909 between members of bondholders' committee and holders of bonds and preferred stock. Included as a part of Part 49 of Exhibit No. 27.

\* \* \*

[24495]

## HARVEY FISK & SONS' PARTICIPATION IN McCALL FERRY POWER COMPANY

About 1895, a group of individuals became interested in the development of the lower reaches of the Susquehanna River for hydroelectric power. Those who became the most active in the engineering and promotion work were George K. McGaw, a Baltimore business man, James H. Harlow, a civil engineer, and M. H. Houseman, an attorney. We will refer to this group as "Harlow-McGaw". Five or six years later, Cary T. Hutchinson, an electrical engineer, also became interested in a hydroelectric development at about the same location. He engaged Beyer and Willson of Lancaster as his agents, sought legal advice from Lorenzo Semple of New York and obtained financial aid from his father-in-law, Henry F. Dimock. This group we will call the "Hutchinson-Dimock" interests.

Both groups made surveys, and engineering studies and began the acquisition of property and rights necessary for water power development. The Harlow-McGaw group planned a series of five developments between Wrightsville, Pa., and tide-water. Their principal holdings were in Maryland but by 1902, they were in possession of the old canals between tide-water and Wrightsville. The Hutchinson-Dimock group concentrated its acquisition efforts in Pennsylvania but also obtained enough parcels in Maryland to interfere with Harlow-McGaw.

Each group attempted to interest capital for further property acquisition and construction. Harlow-McGaw were advocates of low head developments while Hutchinson-Dimock favored relatively [24496] (page 2) high heads. Attempts had been made to consolidate their respective holdings, to sell to each other and to finance each plan of development. By the latter part of 1904, conditions had

improved sufficiently to warrant Hutchinson-Dimock making further efforts to finance their development.

Preparatory to financing, William Barclay Parsons, a prominent New York engineer, submitted a report on the proposed development at McCall's Ferry. His recommendation called for a dam of 155.0 elevation which was capable of delivering 37,500 kw. in Philadelphia during an average year on all but thirty days. The estimated cost of the dam, power house, hydraulic and electrical equipment, substations and three transmission lines to Philadelphia was \$4,041,000. This figure did not include the cost of land, water rights, etc. (See Exhibit #1)

About the same time, Semple, who was attorney for the Hutchinson interests, was arranging to consolidate the Susquehanna and Hillside Water & Power Companies which had been incorporated in 1902 in townships on opposite sides of the river. The proposed dam and power house would lie within these townships.

Hutchinson-Dimock either owned in fee or had water power rights sufficient to construct a dam at McCall's Ferry. Harlow-McGaw owned the bed of the old Susquehanna Canal, had also organized water power companies on each side of the river and projected a line of railroad upon one side of the river. All of these properties would have been affected by the proposed development of Hutchinson-Dimock; therefore, an agreement was made with Harlow-McGaw by which [24497] (page 3) all opposition upon their part was to be removed.

The contemplated Hutchinson-Dimock plan called for a company with an authorized capital stock of \$8,000,000., one-half in preferred and one-half in common, and an authorized issue of bonds of \$8,000,000. The proposed company was to be called the Pennsylvania Power Company. A chain of township electric power companies was to be formed to effect the transmission of power to Lancaster and Philadelphia. Under the terms of a contract, Hutchinson was to receive \$3,000,000. in preferred, a like amount



in common stock and \$6,000,000. of bonds. In return, Hutchinson was to convey all his real estate, riparian rights, releases of damages, etc., owned by him along the Susquehanna River near McCall's Ferry. He would further agree to construct a dam, buildings, machinery, reservoirs, etc., for a complete electric water power plant and to erect transmission facilities for carrying power to Philadelphia, Lancaster and Baltimore or such places as might be necessary. The remaining securities were to be used to acquire all the other water power rights along the Susquehanna River to tide-water. (See Exhibit #2)

This plan was submitted to John G. Johnson, an outstanding corporation lawyer of Philadelphia for approval. Johnson, in his opinion on the proposal, agreed that the plan was substantially possible. (See Exhibit #2)

At the same time, Hutchinson prepared a form of underwriting agreement which, with minor changes, appeared in printed form under date of March 1, 1905. Although the Prospectus and [24498] (page 4) Underwriting Agreement was dated March 1st, there are indications that it was not completed in its final printed form until after March 9th.

This underwriting agreement provided that Henry F. Dimock, S. R. Bertron, and Charles T. Barney were to be the Managers, with Knickerbocker Trust Company as the proposed "Trust Company", and Susquehanna Securities Company (to be incorporated later) as the proposed "Securities Company". It was intended to secure underwritings for \$8,000,000. of First Mortgage Bonds of a corporation to be organized and to be called McCall's Ferry Power Company, at ninety per cent of par, and to arrange whereby the Knickerbocker Trust Company would advance on the bonds so underwritten seventy-five per cent of par. The subscribers were to receive a bonus of 50% in preferred stock. It was provided that subscriptions to \$1,000,000. of bonds were needed before the agreement was to become effective. (See Exhibit #3)

The fundamental differences between the original Hutchinson-Dimock plan, as submitted to Johnson, and that as presented in the Underwriting Agreement of March 1st are: (1) that Hutchinson, as an individual, has been replaced by the "Susquehanna Securities Company" and (2) Charles T. Barney appears as the third member of the Syndicate Manager group.

While the Susquehanna Securities Company was never incorporated, the draft of its proposed charter discloses that Hutchinson was to own thirteen of the fifteen shares. (See Exhibit #4) Thus the substitution indicated as (1) in the preceding paragraph was not a change in control but merely the substitution of a corporation controlled by an individual for that individual himself.

[24499] (page 5)

Some subscriptions under the March 1st underwriting seem to have been obtained in the early part of March, principally from Lee, Higginson & Company's customers. Other subscriptions probably came in through other sources, but it appears that the total received by the middle of March was less than 50% of the required underwriting. We surmise that the response from solicitations indicated either extreme difficulty or complete failure in disposing of the bonds necessary to make the Underwriting Agreement effective.

Hutchinson has stated that Bertron became convinced that the Underwriting was more than his firm should have undertaken and approached Harvey Fisk & Sons to obtain their aid in financing. This apparently occurred some time between the tenth and the twenty-fifth of March, 1905. If the financing could not be completed, the Hutchinson interests were confronted with the prospects of an indefinite delay in securing release of funds expended on the enterprise during the previous four years, as well as the possibility of the interests on the lower river securing sufficient

financing to construct their plant, and gaining the desirable markets for power. They apparently chose the safer course of securing immediate financing even though it entailed relinquishing control of the enterprise.

The result of the negotiations was the March 25, 1905, Bond and Stock Purchase Agreement in which Harvey Fisk & Sons as "Bankers" undertook to complete the financing unsuccessfully started by the Hutchinson-Dimock group. Under the Harvey Fisk & Sons' plan, \$8,000,000 par value of bonds were to be sold on [24500] (page 6) the basis of each \$1000.00 bond and \$450.00 of preferred stock yielding \$900.00 cash. At the time of this underwriting agreement this Company's proposed name was Susquehanna Power Co. This plan also provided loans for the underwriters to approximately the same extent as the Dimock-Bertron-Barney plan. (See Exhibit #5). It should be noted that these loans were actually made by the Knickerbocker Trust Company which was the bank designated to make the loans under the Dimock-Bertron-Barney underwriting. The terms upon which Harvey Fisk & Sons undertook the financing are not disclosed in our records nor their arrangements known with Bertron, Storrs and Griscom who seem to have become silent co-bankers in the new set-up.

We have evidence that some of the subscribers who were customers of Lee, Higginson & Company received the 50% bonus of the March 1st agreement while others received only the 45% provided for in the March 25th agreement. There were also other subscribers who were not Lee, Higginson & Company customers but who also received a 50% bonus. This suggests the probability that some subscriptions were obtained by the Syndicate Managers prior to Harvey Fisk & Sons' entrance into the project. On the date of the final Bond and Stock Purchase Agreement, Bertron Storrs and Griscom wrote Lee, Higginson & Company, stating that they would receive the 50% bonus on their \$2,000,000. subscription. These facts indicate that the

Dimock-Bertron-Barney Syndicate obtained the right from Harvey Fisk to fulfill obligations already made.

[24501] (page 7)

From an analysis of the material in our possession, it appears that the Hutchinson group not only gave up their syndicate plans but also had to surrender control to Harvey Fisk & Sons. We have been unable to determine how this control was actually exercised.

Among the firm members of Harvey Fisk & Sons was Wm. M. Barnum who became a prominent figure in the McCall Ferry Power Company, being a director and member of the executive committee, and later was Chairman of the Reorganization Committee. He remained a partner of Harvey Fisk & Sons until July 1, 1908, when he resigned.

It seems proper, at this point, to comment generally on the changes in the predominant interests that had taken place. Coudert Brothers who had been attorneys for Hutchinson in all of his preliminary work, had dropped into the background by June, 1905. Simpson, Thacher and Bartlett became the attorneys for McCall Ferry Power Company beginning in March, 1905. Harvey Fisk and Sons became the dominant interest as Bankers or Syndicate Managers and placed Wm. M. Barnum with the Company in important positions. Charles A. Coffin became prominent in the executive offices. S. R. Bertron took up some of the important negotiations and became a director. Lee, Higginson & Company took a large portion of the underwriting and became active in the Company affairs. Hutchinson and Dimock, who had previously been in absolute control of the development seemed to have [24502] (page 8) relinquished their control and to have retained only a minority interest in the project. All of these changes took place about the time of the execution of the Underwriting Agreement of March 25, 1905, or shortly thereafter.



The Agreement of Merger and Consolidation between the Hillside Water and Power Company and Susquehanna Water and Power Company to form the McCall Ferry Power Company was executed under the date of April 1, 1905, and letters patent were issued on April 14. This work was being carried out by Beyer under the direction of Semple, who, in turn, was then keeping Simpson, Thacher and Bartlett informed of all legal matters previously under his control.

While the foregoing events were transpiring in regard to the McCall Ferry development financing, a promoter named Charles D. Pullen had been active on the lower river below McCall's Ferry. On February 28, 1905, he obtained an option on all the Harlow-McGaw interests with the proviso that he must also secure both the Hutchinson-Dimock interests and those of the Susquehanna Power Company, another competing interest. All property and rights were to be placed in one corporation for a systematic development of the river. On March 21, Pullen obtained an option on the Susquehanna Power Company rights. Apparently, unable to interest the Hutchinson-Dimock group in his proposition, he secured a new option from Harlow-McGaw not predicated on securing the McCall Ferry participation.

[24503] (page 9)

Apparently Harlow-McGaw felt that the Hutchinson-Dimock group's success in obtaining financing for their McCall development had jeopardized any chance for immediate progress under the Pullen option. Accordingly on April 18, Houseman presented a plan to Harvey Fisk & Sons for consolidation of all interests. The plan called for enlarging the canal from tidewater to Wrightsville and Columbia, Pa., where a large reservoir was to be located. Here also were to be docks and landings and direct connections with the Pennsylvania and the Reading railroad systems. The 200 ft. fall in the river was to be utilized by the

development under the supervision of James H. Harlow of five hydro power plants capable of a combined output of 250,000 h.p. (See Exhibit #6) The McCall group, however, evidently did not desire to consider a consolidated project. We have no papers in our file which indicate any change in this attitude, but on April 27, 1905, Harlow-McGaw disposed of all their properties, rights and other assets associated with their interest on the Susquehanna to Harvey Fisk & Sons. On the same date, McGaw executed an agreement with Bertron, transferring to him all his stocks in certain companies. These two agreements were deemed to be parts of the same transaction whereby Harlow-McGaw, in exchange for all their property, rights, stock, and other interests on the river were to receive from Harvey Fisk & Sons:

1. \$200,000. in cash
2. \$250,000. par of McCall Ferry Bonds
3. \$100,000. par of McCall Ferry Common Stock  
(See Exhibit #7)

[24504] (page 10)

The agreement of April 27th, whereby Harlow-McGaw disposed of their holdings to Harvey Fisk & Sons for cash, bonds and stock, was made subject to the prior agreements of Harlow-McGaw with Pullen and, therefore, could be carried out only if Harvey Fisk & Sons purchased the Pullen options or waited for it to expire. Therefore Bertron purchased Pullen's options on April 29 for \$10,000. cash and 150 shares of McCall Ferry Power Company common stock.

Those subscribers who elected to defer payment were, like the non-deferred subscribers, required to make a first payment of twenty per cent based on the net amount of the price of the bonds at ninety. All of the first 20 per cent payments were evidently made promptly for on May 15, there was recorded the amount of \$1,440,000. to the credit

of the proposed Susquehanna Contracting Company. (See Exhibit #9) Calls were subsequently made periodically upon the non-deferred subscribers in amounts of ten per cent each. ( See Exhibit #8) Interest at the rate of five per cent per annum was to be credited upon the amounts paid until the delivery of the bonds and stock after final payment had been made. The deferred subscribers were granted until Nov. 1, 1908 to make their final payment of eighty per cent.

In accordance with the provisions of the Bond and Stock Purchase Agreement, Harvey Fisk & Sons, on May 15, made arrangements for loans from the Knickerbocker Trust Company [24505] (page 11) totaling \$4,424,400., the amount of the unpaid deferred subscriptions. The Trust Company was to make installment advances as called for from time to time from June 1, 1905. The terms of this arrangement, as contracted for between Harvey Fisk & Sons and Knickerbocker Trust Company provided for an interest rate of six per cent per annum on the amount of the loan outstanding plus an annual commission of one-half of one per cent for each year the agreement was to be in force. The loan arrangement was to continue for three years and the loans were to be made to the Susquehanna Contracting Company, then in the formative stage. (See Exhibit #10) This company was created and controlled by Harvey Fisk & Sons.

Presumably, the necessary legal work for the execution of the major agreements of the McCall Company had been completed by the middle of June, 1905, for most of the important contracts were made about this time. The first event of significance was the incorporation of the Susquehanna Contracting Company which took place on June 12, and was to the firm of Harvey Fisk & Sons substantially what the proposed Susquehanna Securities Company would have been to Dimock-Bertron-Barney under the March first underwriting. We assume that it provided the mechanics for legally issuing the McCall Ferry Power Com-

pany securities and relieved Harvey Fisk & Sons, as a partnership, from any possible future liability which might result from the financing.

[24506] (page 12)

On June 13th, the day following the incorporation of the Contracting Company, an agreement was executed between the McCall Company and the Contracting Company. It provided for the transfer to the McCall Company of all the property and flowage rights of both the Hutchinson-Dimock and the Harlow-McGaw interests, stock in the river companies which Harvey Fisk & Sons had purchased from Harlow-McGaw, and \$6,400,000. in cash for plant construction and additional property acquisition. In return the McCall Ferry Power Company agreed to issue to the Susquehanna Contracting Company \$8,483,000. bonds, \$4,116,500. preferred stock and \$4,999,000. common stock. (See Exhibit #11)

On the next day, June 14th, the Contracting Company made an agreement for the purchase of all the property, rights and interests of Cary T. Hutchinson. In return it provided for the conveyance of the following consideration to Hutchinson.

Cash	\$ 750,000.
Common Stock	4,884,000.
Preferred Stock	400,000.

Total	<u>\$6,034,000.</u> (See Exhibit #12)
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The \$750,000, was paid in two checks. (See Exhibit #9) One check for \$155,500. was endorsed to Beyer and Willson to exercise the York Furnace option. The other for \$594,500. was, according to Hutchinson's statement, used by him to reimburse with interest, those who had made advances for the acquisition of lands and water power rights, and for engineering and legal services, traveling and



office expenses [24507] (page 13) and other necessary preliminary development costs. Hutchinson has told us that he has not retained records of these transactions, and does not remember the amounts of the various items of cost. We have found only fragmentary evidence concerning these expenditures and therefore they cannot be definitely classified.

As will be later shown, a voting committee was formed and voting trust certificates issued. We have been unsuccessful in locating any record of the voting trust certificates and have, therefore, been unable to trace the actual ownership of much of the common stock which, during the life of the voting trust, continued to stand in the name of the Contracting Company. The original ten shares of common stock, resulting from the consolidation of the Hillside and Susquehanna Water and Power Companies, were issued to the original five incorporators. Subsequently, these seem to have been endorsed in blank, and held by Dimock and Hutchinson. Executed contracts and agreements account for the common stock, as follows:

Date	Certificate Number	Issued To	Shares
6-1-1905	1-5	Two shares each to original incorporators— Held by Dimock and Hutchinson	10
	6-10	Cancelled (Not used on account of change in name of company)	—
8-8-1905	11	Susquehanna Contracting Company (For Pullen)	150
8-8-1905	12	Susquehanna Contracting Company (For McGaw, et al.)	1,000
8-8-1905	13	Susquehanna Contracting Company (For Hutchinson Agreement)	18,840
8-8-1905	14	Susquehanna Contracting Company (For Hutchinson Agreement)	30,000
Total			50,000

[24508] (page 14)

It will be noted that Nos. 13 and 14 total the 48,840 shares called for by the agreement between the Contracting Company and Hutchinson. The fact that two certificates were issued to cover this transaction indicates that at least

one certificate was probably intended to be assigned to someone other than Hutchinson. The stock book in our possession does not show that Certificate No. 14 for 30,000 shares was ever turned in for subdivision or cancellation. Certificate No. 13 for 18,840 shares was turned in for re-issue according to the stock certificate book as follows:

Certificate		Name	Shares
Date	No.		
5-25-1909	30	Thomas Newhall	1,000
7-14-1909	43	Lorenzo Semple	1,000
7-14-1909	45	Susquehanna Contracting Co.	16,840
Total			18,840

(See Exhibit #13)

Hutchinson has informed us that Newhall was an engineer who rendered services in connection with the relocation of the railroad tracks to permit the construction of the dam. He also stated that his (Hutchinson's) stock was used as a common fund for certain payments of this kind. The shares which went to Semple were part of his compensation for services rendered to the promoters prior to Harvey Fisk & Sons first connection with the project. The fact that these shares came from the 18,840 block is the basis for the deduction that this block of stock was owned by the Hutchinson interests. It would therefore appear that the certificate for 30,000 shares [24509] (page 15) representing 60% of the common stock probably went to the Bankers. A search of the McCall Company and Contracting Company books of account fails to reveal any payments to Harvey Fisk & Sons. The entire proceeds obtained from the underwriters were passed on for the use of the McCall development, no cash commission being retained by Harvey Fisk & Sons for disposing of the bonds. The Banking group certainly was paid in some manner for to say that such services were rendered gratis is inconceivable.

able. It appears to have been the general practice of Bankers to accept stock as their compensation for securing underwriting in undertakings of this kind. Certain others whom we assume were associated with Harvey Fisk & Sons in the McCall Ferry enterprise received common stock for their services; namely, Lee, Higginson & Company and Bertron, Storrs & Griscom. Being unable to find any other means of remuneration for the Bankers, except a small amount of preferred stock mentioned hereinafter, and in consideration of their general practice under similar circumstances, we have concluded that Harvey Fisk & Sons and their associates must have accepted common stock as their chief compensation for the services they rendered the McCall Company. (See Exhibit #13)

On November 21, 1906, Bertron, Storrs and Griscom recorded the receipt of 12,462½ shares of common stock. (See Exhibit #14) which is exactly one quarter of the total issue [24510] (page 16) after Pullen's 150 shares have been deducted. Since the common stock certificate book does not show the issuance of this block, we assume it must have been in the form of voting trust certificates. Bertron, Storrs and Griscom was one of the banking firms associated with Harvey Fisk & Sons in this underwriting and we therefore assume that this block of stock came from the 30,000 shares assigned to the Bankers. On March 25, 1905, Bertron, Storrs and Griscom promised Lee, Higginson & Company 5,000 shares of common stock, representing a 25% commission on the \$2,000,000. subscriptions Lee, Higginson & Company agreed to underwrite. (See Exhibit #15) In fulfillment of this promise Bertron, Storrs and Griscom gave Lee, Higginson & Company 5,000 shares of common stock out of the 12,462½ shares they had received. (See Exhibit #14).

In addition to the common stock, there were 4,000 shares of preferred stock which were made a part of the Hutchinson contract consideration. Preferred Stock Certificate No. 1 was issued in the name of the Susquehanna

Contracting Company, but it went, eventually, to persons other than Hutchinson. There is no other preferred stock certificate for 4,000 shares, so we feel certain that this Certificate No. 1 represents the 4,000 shares stated in the Hutchinson Agreement. The persons who finally received the shares represented by this certificate are here set [24511] (page 17) forth:

<i>Date</i>	<i>Ctf. No.</i>	<i>Transferee</i>	<i>No. Shares</i>
11-7-08	216	Electrical Securities Corporation	200
	243	Bertron, Storrs and Griscom	1,100
	244	Estate — Eugene Griffin	25
	245	C. A. Coffin	100
	246	Essex Trust Company	12½
	247	Electrical Association	50
	248	E. W. Rice, Jr.	10
	249	M. A. Viele	12½
	250	I. S. Keeler	2½
	251	Estate — E. R. Coffin	12½
	252	S. Z. Mitchell	7½
	253	Hinsdill Parsons	12½
	254	A. E. Burchard	5
	255	Union Trust Company	50
	256	H. C. Frick	100
	257	Charles Pratt & Company	125
	258	J. F. Shaw	25
	259	S. M. Hamill	25
	260	C. A. Coffin	125
	261	Lee, Higginson & Company	125
	262	Harvey Fisk & Sons	1,875
Total .....			4,000

From certain papers in our files, we have made the assumption that a large portion of the above shares of preferred stock was issued to these subscribers to increase their bonus from 45% to 50%. Those who, we have assumed



would receive the 50%, were the persons who had subscribed to the Dimock-Bertren-Barney Underwriting Agreement of March 1, 1905. The majority of these appear to have been Lee, Higginson & Company, Bertron, Storrs and Griscom, or C. A. Coffin subscribers. All of those who received these 4,000 shares were associated with the above three firms or individuals except Chas. Pratt & Company, H. C. Frick, Estate of Eugene Griffin, and Harvey Fisk & Sons. If we give consideration to the number of bonds subscribed [24512] (page 18) for by Harvey Fisk & Sons as a firm, the necessary bonus to bring their preferred stock to the 50% amount would not exceed 50 shares. It, therefore, appears that 1,875 shares of preferred stock went to Harvey Fisk & Sons, a like amount went to the subscribers who had become committed under the March 1st underwriting plan and the remainder went to other persons already mentioned. (See Exhibit #16).

On June 14, 1905, Harvey Fisk & Sons assigned to the Susquehanna Contracting Company their loan arrangement of May 15th with the Knickerbocker Trust Company. This assignment provided that Harvey Fisk & Sons would assign to the Contracting Company all their rights under the McCall Company bond and stock purchase agreements and the loan arrangement with the Knickerbocker Trust Company. They reserved, however, the right to repurchase the McCall bonds at ninety. The Contracting Company then agreed to discharge all obligations of Harvey Fisk & Sons under these agreements and appointed Harvey Fisk & Sons its agents for the performance of these assumed obligations. (See Exhibit #10).

It has previously been stated that Harvey Fisk & Sons had signed an agreement with Harlow, McGaw and Houseman on April 27, 1905, whereby Harvey Fisk & Sons would acquire the canals and all other river property and interests of the Harlow-McGaw group upon the payment of \$200,000. cash, \$250,000. in bonds and \$100,000. in common stock of the McCall [24513] (page 19) Company. On

June 14th, Harvey Fisk & Sons assigned this agreement to the Susquehanna Contracting Company, the latter assuming the payment obligations and receiving the property stipulated in the agreement.

The following day (June 15th) an agreement was signed by the Contracting Company and Harlow, McGaw and Houseman, verifying the above assignment and arranging for the delivery of the McCall bonds and stock. This was countersigned by Harvey Fisk & Sons who guaranteed performance by the Susquehanna Contracting Company.

By an agreement dated June 15, 1905, the Knickerbocker Trust Company was made trustee under the mortgage securing the issue of McCall Ferry Power Company bonds.

On June 16th, Bertron, Storrs and Griscom assigned to the Contracting Company the option which they had acquired from Pullen, on April 29th. On this day also, title to the property obtained from Harlow-McGaw was vested in A. P. Bartlett and Ross A. Mackey, who, in turn, executed a declaration of trust, naming the Susquehanna Contracting Company as beneficiary. Similar transactions were made June 20th regarding the property acquired from Hutchinson.

The following were elected directors of the McCall Ferry Power Company at the stockholders' meeting, August 8, 1905:

[24514] (page 20)

W. F. Beyer  
Henry F. Dimock  
Charles A. Coffin  
Gardiner M. Lane  
William Barclay Parsons  
E. J. Berwind  
Cary T. Hutchinson

Geo. B. Willson  
A. C. Bedford  
Wm. M. Barnum  
Rodman E. Griscom  
W. Marriott Canby  
J. J. Hope  
Pliny Fisk

S. R. Bertron

The directors then appointed an executive committee consisting of the following:

Henry F. Dimock

Charles A. Coffin

Wm. Barclay Parsons

Wm. M. Barnum

(Gardiner M. Lane) who was soon replaced by  
S. R. Bertron.

The officers were:

President — H. F. Dimock

Vice-President — J. A. Keppleman

Secretary-Treasurer — Wm. H. Barnum

Chief Engineer — C. T. Hutchinson

Arrangements had been made by Harvey Fisk & Sons for the Knickerbocker Trust Company to make loans on the uncalled balances of the stock and bond purchase agreements as previously outlined. The actual loan agreement was signed by the Susquehanna Contracting Company and the Knickerbocker Trust Company on November 1, 1905.

In an agreement dated January 20, 1906, a Voting Committee was named as consisting of H. F. Dimock, W. M. Barnum and S. R. Bertron. Other main provisions of the agreement were:

1. Stockholders were to deposit their stock with Harvey Fisk & Sons.
2. Certificates were to be assigned for transfer to Harvey Fisk & Sons who would hold the stock until November 1, 1908.

[24515] (page 21)

3. Harvey Fisk & Sons were to vote each share of stock deposited as directed in writing, signed by any two of the Voting Committee.

4. Harvey Fisk & Sons or any of the Voting Committee  
"may be depositors of stock hereunder."

(See Exhibit #17)

Harvey Fisk & Sons kept the records of the stock deposited under this agreement and we believe these records were destroyed in 1924.

Harvey Fisk & Sons appear to have acted as transfer agents for the McCall Company securities until November, 1908. At the end of this period, Knickerbocker Trust Company became transfer agent.

After the original financing a change in plans for the development to materially increase the capacity required more money than was originally provided. By the time the additional funds were needed the financial market appears to have become unfavorable for financing. The Knickerbocker Trust Company went into receivership in the fall of 1907, but arrangements were made for it to complete the loan provided for in 1905. By mid-summer of 1908, the cash available to the McCall Company was practically exhausted.

In July, 1908, the question was raised as to the possibility of using the unissued bonds to secure loans from the directors or others financially interested in keeping the company intact. It was apparently contemplated to obtain loans of \$100,000. from each of the following: °

[24516] (page 22)

1. Harvey Fisk & Sons
2. Lee, Higginson & Company
3. Bertron, Storrs and Griscom
4. C. A. Coffin
5. H. F. Dimock

However, for some reason not now known, Dimock failed to make his loan, although on October 28, 1908 loans of \$100,000. each were made by the other four.



The McCall Ferry Power Company defaulted on its bond interest due December 15, 1908. Anticipating the inability of the company to meet its obligations, the holders of a large portion of the bonds outstanding asked the following to act as a Committee in the interests of holders of bonds and preferred stock:

Wm. M. Barnum •  
A. C. Bedford  
S. R. Bertron  
C. A. Coffin  
G. M. Lane

Public announcement of the formation of this committee and the impending default was made to all bondholders on December 7, 1908 over the names of:

Harvey Fisk & Sons,  
Lee, Higginson & Company  
Bertron, Storrs and Griscom  
H. F. Dimock  
C. A. Coffin

With the announcement also went a request and agreement for the deposit with the committee of bonds and preferred stock. (See Exhibit #18) Sufficient bonds were deposited for the proposed committee to proceed with its reorganization plans. Wm. M. Barnum was elected chairman of the Committee and a plan was presented to the bondholders under date of May 28, [24517] (page 23) 1909. (See Exhibit #19). Hutchinson, Sanderson and Porter, and others attempted to prevent the deposit of bonds with this committee but, nevertheless, practically all of the bondholders deposited under the May 28th plan. All of the \$8,325,000. of bonds outstanding except \$66,000. principal amount were deposited with the Committee. The plan successfully culminated in the formation of the Pennsylvania Water & Power Company on January 13, 1910.

*I believe the above is a fair statement of the deal and my firms position in it. It is wholly consistent with my recollection of the facts.*

*Pliny Fisk*

*Witness: January 25, 1939*

*Wilton D. Cole*

**EXHIBIT No. 396.**

[24518]

**EXHIBITS ATTACHED TO LEE, HIGGINSON &  
COMPANY PARTICIPATION**

Exhibit No. 1 — Letter dated March 11, 1898, written by Stone & Webster to Messrs. Lee, Higginson & Company, setting forth results of independent investigation made of plans prepared by James H. Harlow for the development of the water power of the Susquehanna River between Peach Bottom and tide water.

Exhibit No. 2 — Same as Part 5 of Exhibit No. 27.

Exhibit No. 3 — Same as Part 7 of Exhibit No. 27.

Exhibit No. 4 — Same as Part 10 of Exhibit No. 27, with one additional page reading as follows:

“Agreement of Subscribers to Bonds and Preferred Stock.

“Lee, Higginson & Co. hereby assign and transfer to each person signing below all rights belonging to them by reason of their subscription under the Subscription Agreement, a copy of which is attached hereto, for the number of bonds and preferred shares opposite his signature.

“And in consideration thereof each person signing below agrees with Lee, Higginson & Co. that with respect to the number of bonds and preferred shares set opposite his signature he will pay them the amounts of the subscription installments when and as they become due under said Subscription Agreement, and will save them harmless from liability under said Subscription Agreement.”

Exhibit No. 5 — Same as Part 11 of Exhibit No. 27.

Exhibit No. 6 — Letter dated January 11, 1939, written by Lee, Higginson & Company to Pennsylvania Water & Power Company, "Attention Mr. James L. Rintoul, Vice-President", reading as follows:

"We duly receive your letter of December 27, 1938, asking us to make a search in the records we still have for any compensation in cash received by us in connection with the issue of McCall Ferry Power Company securities.

"This we have done and have been unable to find any such payments."

[24519] (page 2)

Exhibit No. 7 — Same as Part 20 of Exhibit No. 27.

Exhibit No. 8 — Includes (1) three photostats of McCall Ferry preferred stock certificates (No. 1, dated August 3, 1905, for 4,000 shares issued to Susquehanna Contracting Company; No. 216, dated November 7, 1908, for 200 shares issued to Electrical Securities Corporation; No. 217, dated November 7, 1908, for 3,800 shares issued to Susquehanna Contracting Company); (2) letter dated November 12, 1908, written by Harvey Fisk & Sons to J. W. Young, Vice President of McCall Ferry, transmitting "certificate #217 for 3,800 shares McCall Ferry Power Company Preferred Stock, n/o Susquehanna Contracting Company, properly endorsed in blank" and listing names of individuals and firms entitled to receive the 3,800 shares; (3) letter dated November 18, 1908, written by Harvey Fisk & Sons to C. H. Keep, President, Knickerbocker Trust Company, New York City, reading as follows:

"In connection with the certificates for 3,800 shares McCall Ferry Power Company preferred stock, standing in name of Susquehanna Contracting Com-



pany, which was recently sent you with the request that it be split up and issued in other names, we beg to assure you that this stock is part of an original issue and has since been held for account of those who have had a beneficial interest therein.

"We guarantee that no sale of this stock has ever been made."

Exhibit No. 9 — Letter dated February 27, 1908, written by Lee, Higginson & Company, stating, among other things; "We have asked Messrs. Stone & Webster to discontinue the examination of the property of the McCall Ferry Power Co. which was undertaken at our suggestion."

Exhibit No. 10 — Letter dated July 5, 1907, written by Bertron, Storrs & Griscom to Messrs. Lee, Higginson & Co., re additional financing required to complete the project. (Ex. No. 398)

Exhibit No. 11 — Note of Susquehanna Contracting Company to Lee, Higginson & Company covering \$100,000 loan. Note included as a part of Part 40 of Exhibit No. 27.

Exhibit No. 12 — Schedule showing McCall Ferry deferred bond subscribers, etc.

[24521]

DRAFT OF  
LEE, HIGGINSON & COMPANY PARTICIPATION  
IN  
McCALL FERRY POWER COMPANY

May 9, 1939

In August 1899, William F. Beyer, Geo. B. Willson and several others from Lancaster, Pennsylvania, formed the York Furnace Power Company, a partnership, and began acquiring land and water power rights for a low-head hydroelectric development near York Furnace on the Susquehanna River. According to Cary T. Hutchinson and Boyd Ehle, the original purpose for this hydroelectric power was the reduction of iron ore in that vicinity. However, one year later, the partnership group incorporated York Furnace Electric Company which immediately acquired pole line rights of way to Lancaster. Prior to the summer of 1901, Hutchinson was approached by the York Furnace partnership for consulting advice in connection with the reduction of local iron ore. He concluded that electrical reduction of this ore was not feasible.

During the summer of 1901, Hutchinson explored in his own interest, the hydroelectric power possibilities of the river and power markets, and finally concluded that a higher head development at McCall Ferry was most feasible. In October 1901, Hutchinson obtained an option on the property of the York Furnace partnership, which was successively extended until it was finally exercised by Hutchinson at the formation of McCall Ferry Power Company in 1905. The option was recorded and resulted in total payments by Hutchinson of \$201,000. for the York Furnace properties. In February 1902, [24522] (page 2) Henry F. Dimock, Hutchinson's father-in-law, advanced funds to

Hutchinson for renewal of the option. Prior to this time, Hutchinson had used his own funds for the enterprise. After Hutchinson obtained the York Furnace option, Beyer appears to have acted in some respects as his agent.

James H. Harlow, George K. McGaw and others hereinafter referred to as Harlow-McGaw, principal competitors of Hutchinson for control of the river, first became interested in its hydroelectric possibilities in 1894. In July 1896, they made arrangements for the purchase of the Susquehanna and Tidewater Canals below Wrightsville, Pennsylvania. They made final payment and took title to the canals in March 1902. Between 1894 and 1902, Harlow-McGaw had been buying property and attempting to finance and to develop power from the river. One of those whom they attempted to interest in the financing was Lee, Higginson & Company. That firm employed Stone & Webster to make an independent investigation in 1898. Lee, Higginson & Company concluded that the proposition was not worth taking up at that time. Through ownership of the canals, Harlow-McGaw were able to effectively interfere with Hutchinson's plans. Bitter rivalry developed between Harlow-McGaw and Hutchinson, which adversely affected the prices each paid for property.

In April 1902, Harlow-McGaw attempted to perpetuate the canal rights by forming the Susquehanna Canal and Power Company. Hutchinson unsuccessfully opposed the formation of this company and bought property below his McCall Ferry site to interfere with the Harlow-McGaw plans for a development at Peach Bottom. In August 1902, Harlow-McGaw unsuccessfully opposed the formation by Hutchinson of two [24523] (page 3) water power companies.

In March 1903, Hutchinson caused a bill to be introduced in the Pennsylvania Legislature to revoke the canal charter. The bill seemed certain enough of passing that Harlow-McGaw, fearing the loss of all canal rights in Pennsylvania, entered into an agreement giving Hutchinson the

right to flood the canal above the McCall Ferry site. In consideration, Hutchinson agreed to furnish locks and navigation facilities. The bill in the legislature was then defeated. This agreement remained in force until the canals were purchased by McCall Company interests in 1905.

The right to flood the canal completed Hutchinson's control of substantially all the property required to develop power at McCall Ferry. Apparently, Hutchinson did not consider the spring of 1903 a favorable time to finance, and the enterprise seems to have remained dormant until late 1904 or early 1905. During 1903, Harlow-McGaw made an unsuccessful attempt to finance a development below the McCall Ferry site.

On January 13, 1905, Wm. Barclay Parsons submitted a favorable engineering report on the proposed McCall Ferry development. Bertron, Storrs & Griscom undertook to finance the development and issued a prospectus and underwriting agreement, dated March 1, 1905, naming Henry F. Dimock, S. Reading Bertron and Charles T. Barney syndicate managers. Under this plan of financing, there were to be issued \$8,000,000. par value bonds, and \$4,000,000. par value each of preferred and common stock. Each \$1,000. par value bond together with \$500. par value preferred stock, was to yield \$900. in cash. [24524] (page 4) The 40,000 shares of \$100. par value common stock were to be divided equally between the Hutchinson interests and the bankers.

It appears that Lee, Higginson & Company participated in this underwriting as is evidenced by a letter from Gardiner M. Lane, a partner in that firm, dated March 10, 1905, to Robert Fleming, which contained the following points:

1. C. A. Coffin, President of General Electric Company, had brought the proposed development to the attention of Lee, Higginson & Company some time prior to the date of the letter.



2. Lee, Higginson & Company had given considerable time and attention to studying the proposed development and thought well of it, although a study of a water power project at a lower point on the river ten years previous, had been considered by them as not worth taking up at that time. (This had been a Harlow-McGaw project.)
3. Lee, Higginson & Company believed that there was no question whatever of there being a sufficient demand for the McCall power within a satisfactory distance at a profitable price.
4. The figures of the estimates were considered most conservative by Coffin and others. Coffin had given a good deal of attention to the figures.
5. Five per cent cumulative preferred stock in the amount of \$4,000,000. was to go with the \$8,000,000. of bonds to be underwritten and was to be profit to the Underwriters. The Syndicate Managers believed that they would be able to sell the bonds at the proper time without giving any of the preferred stock.
6. In addition to the issue of preferred stock, there would be an issue of common stock, all of which would be used in acquiring the rights from the promoters, who had been out a large sum of money for several years.
7. Lee, Higginson & Company proposed to take a block of the underwriting and hoped that Fleming would also take some.
8. Mr. Higginson thought highly of the undertaking.

[24525] (page 5)

Apparently about one-half of the necessary subscrip-

tions had been obtained under the Dimock-Bertron-Barney underwriting plan, when Bertron concluded that the proposition was more than his firm could complete. Of these subscriptions approximately \$2,000,000. were secured by Lee, Higginson & Company, the remainder being evidently obtained by Coffin and Bertron, Storrs & Griscom. The latter, therefore, suggested that the matter be placed before Harvey Fisk & Sons and that that firm be asked to head a new syndicate. This probably occurred between March 10th and 25th, 1905. If the financing could not be completed, the Hutchinson interests were confronted with the prospects of an indefinite delay in securing release of funds expended on the enterprise during the previous four years, as well as the possibility of the interests on the lower river securing sufficient financing to construct their plant, and gaining the desirable markets for power. They chose the apparently safer course of securing immediate financing even though it entailed relinquishing control of the enterprise.

About March 15, 1905, Bertron approached Harvey Fisk & Sons to obtain their assistance in completing the financing. Harvey Fisk & Sons headed a new syndicate, with Bertron's firm as silent joint bankers. The new syndicate underwriting agreement of March 25, 1905 offered a 45% bonus of preferred stock to bond subscribers, but arrangements were made for subscribers under the March 1st agreement to receive the 50% bonus promised them. The issue of common stock was increased to 50,000 shares, of which the bankers were to receive 30,000 and the Hutchinson interests 20,000. This arrangement gave Harvey Fisk & Sons [24526] (page 6) control, and they subsequently managed the enterprise. The underwriting was obtained in the name of Susquehanna Power Company but this was later changed to McCall Ferry Power Company.

The 30,000 shares of common stock designated for the bankers were divided as follows:

Harvey Fisk & Sons	17,537½ shares
Bertron, Storrs & Griscom	7,462½ shares
Lee, Higginson & Company	5,000 shares
<hr/>	
Total	30,000 shares.

The 20,000 shares of common stock designated for Hutchinson interests were divided beneficially as follows:

To Hutchinson and his associates	18,840 shares.
To Harlow-McGaw, et al	1,000 shares
To Chas. D. Pullen	150 shares
To Original Incorporators	10 shares
<hr/>	
Total	20,000 shares

The subscriptions which Lee, Higginson & Company had obtained under the March 1st underwriting agreement had provided for a 50% bonus of preferred stock. On March 25th, a letter from Bertron, Storrs & Griscom to Lee, Higginson & Company, advising them of their commission in common stock for participating in the Harvey Fisk & Sons' underwriting, contained a proviso that Lee, Higginson & Company would receive an additional 5% of preferred stock over the 45% provided by the Underwriting Agreement of March 25th. That the 50% bonus was given Lee, Higginson & Company subscribers is further substantiated by the Stock Certificate Books and the stock lists later prepared from bonds turned in to the Reorganization Committee. It is assumed that Lee, Higginson & Company, having committed themselves to some subscribers on the basis of the March 1st plan, were given this means of keeping [24527] (page 7) those promises without incurring any additional expense on their part.

This letter of Bertron, Storrs & Griscom to Lee, Higginson & Company, dated March 25, 1905, contained the following language which related to the commission to be earned by the latter for securing underwritings:

"We agree that you shall receive through us or the Bankers, Messrs. Harvey Fisk & Sons, 25% of common stock on the Susquehanna Water Power Underwriting on \$2,000,000. subscriptions to be furnished by you or \$500,000. par value of the same, together with 5% of preferred stock, making the total amount of preferred stock 50% of the subscriptions instead of 45% as called for in this subscription. The same to be transferred to you as soon as issued."

This letter established the full compensation of Lee, Higginson & Company from the McCall underwritings, as subsequent events show that in spite of an additional allotment of bonds, their commission was never increased.

In a letter dated January 11, 1939, Lee, Higginson & Company stated that an examination of their records does not show that they received any cash compensation in connection with the issue of the McCall Ferry Power Company securities. In order to properly determine the cost of property and services acquired by the issuance of McCall Company common stock, it is necessary to establish the value of the stock. This must be done by some means other than market values as McCall Company failed before its stock reached the open market.

The McCall Ferry Power Company was incorporated on April 14, 1905, as a consolidation of Hillside and Susquehanna Water & Power Companies, which had been formed by Hutchinson on September 2, 1902. [24528] (page 8) The initial capital stock of the McCall Company consisted of ten shares of \$100. par value each and was subsequently increased to 50,000 shares of common and a like number of shares of preferred stock of a par value of \$100. each, resulting in a total capital stock of \$10,000,000. Of this amount, the entire issue of common and \$4,043,750. of the preferred were later issued to the public. A bond issue in the amount of \$10,000,000. was authorized of which \$8,325,000. were sold.



On April 18, 1905, Harlow-McGaw offered to sell to Harvey Fisk & Sons their holdings on the river. On April 27, 1905, an agreement of sale was executed between these parties which would convey all Harlow-McGaw holdings to Harvey Fisk & Sons for a consideration of \$200,000. in cash, 250 McCall Ferry Power Company bonds, and 1,000 shares of common stock. The conveyance of property was subject to options held by Charles D. Pullen, which were subsequently acquired by Harvey Fisk & Sons for \$10,000. in cash and 150 shares of common stock. The acquisition from Harlow-McGaw eliminated the necessity for carrying out the prior agreement for installation of canal locks and navigation facilities.

On June 12, 1905, the Susquehanna Contracting Company was incorporated by Harvey Fisk & Sons. On June 13, 1905, the Contracting Company entered into an agreement with the McCall Company, whereby the Contracting Company would convey all the properties, rights, etc., to be obtained from Harlow-McGaw, Hutchinson and others and furnish \$6,400,000. in cash. In consideration, McCall Company was to issue \$8,483,000. par value bonds; \$4,116,500. par value preferred stock, and \$4,999,000. par value common stock.

[24529] (page 9)

On June 14, 1905, Harvey Fisk & Sons assigned to the Contracting Company the agreement of April 27th with Harlow-McGaw for the acquisition of their property. On this date, Hutchinson executed an agreement with the Contracting Company, providing for the conveyance of all his property, rights, etc. In consideration, Hutchinson was to receive \$750,000. in cash, 4,000 shares of McCall Company preferred stock, and 48,840 shares of common stock. This was the means of effecting the distribution of common stock already mentioned and providing the additional 5% preferred stock bonus for bond subscribers under the Dimock-Bertron-Barney underwriting agreement.

A substantial portion of those who received the additional bonus of 5% in preferred stock were Lee, Higginson & Company subscribers, as shown by the following list.

[24530]. (page 10)

Ctf. No.	Name	Address	No. of Shares
Assumed to be Lee, Higginson & Co. Subscribers			
338	Charles C. Walker	53 State St., Boston, Mass. (Through Bertron, Storrs & Griscom)	500
339	Est.—Charles Perkins	Burlington, Iowa (" " " " ")	250
340	Alex. Agassiz	Newport, R. I. (" " " " ")	250
341	Arthur D. Veasey	Haverhill, Mass. (" " " " ")	25
246	Essex Trust Company	Lynn, Mass.	12½
247	Electrical Association Std.	Boston, Mass.	50
255	Union Trust Company	Providence, R. I.	50
258	J. F. Shaw	8 Congress St., Boston, Mass.	25
344	Chas. P. Curtis	Ames Bldg., Boston, Mass. (Through Lee, Higginson & Co.)	50
345	Frederick Ayer	141 Milk St., Boston, Mass. (Through Lee, Higginson & Co.)	75
Total Assumed Lee, Higginson & Co. Subscribers.....			1,287½
Assumed to be C. A. Coffin Subscribers			
218-19	Electric Bond & Share Company	62 Cedar St., N. Y. (Through Elect. Sec. Corp.)	200
245	C. A. Coffin	30 Church Street, N. Y.	100
249	M. A. Viele	49 Wall Street, N. Y.	12½
250	I. S. Keeler	30 Church Street, N. Y.	2½
251	Est. of E. R. Coffin	30 Church Street, N. Y.	12½
252	S. L. Mitchell	62 Cedar Street, N. Y.	7½
253	Hinsdill Parsons	Schenectady, N. Y.	12½
254	A. E. Burchard	30 Church Street, N. Y.	5
259	S. M. Hamill	Schenectady, N. Y.	25
387	E. W. Rice, Jr.	Schenectady, N. Y.	5
388-9	J. R. Lovejoy	Schenectady, N. Y. (Thru Rice)	2½
390-1	A. V. V. Raymond, Jr.	Buffalo, N. Y. (" " " " ")	2½
335	Est.—Erastus Jones	Worcester, Mass. (Thru Coffin)	50
336	Homer Gage	Worcester, Mass. (" " " " ")	50
337	N. Penrose Hallowell	44 State St., Boston (" " " " ")	25
Total Assumed Coffin Interests.....			512½
Assumed to be Bertron, Storrs & Griscom Subscribers			
321	Bertron, Storrs & Griscom		75
Total Subscriptions through Coffin—Lee, Higginson & Co., and Bertron, Storrs & Griscom.....			1,875
Others Receiving Extra Preferred Stock			
262	Harvey Fisk & Sons	62 Cedar Street, N. Y.	1,875
244	Est.—Eugene Griffin		25
256	H. C. Frick	Frick Bldg., Pittsburgh, Pa.	100
257	Charles Pratt & Company	26 Broadway, N. Y.	125
Total Others .....			2,125
GRAND TOTAL .....			4,000

[24531] (page 11)

It has been stated heretofore that the Hutchinson Agreement was apparently used for the purpose of paying those who had promoted the undertaking and the Bankers and their Associates for financing and managing the Company. The preferred stock specified in the agreement appears to have been a partial exception.

When Fisk and Bertron were arranging the respective remuneration to go to each in the form of common stock, Bertron had required an additional five per cent in preferred stock for those who had previously subscribed under the Dimock-Bertron-Barney underwriting agreement of March 1, 1905. This was needed because of the decrease in the preferred bonus from 50%, as stated in the Bertron agreement, to the 45% stated in the Fisk agreement. The purpose was to retain the March 1st subscribers. Fisk was agreeable to this, provided his firm received a like amount of the preferred. Thus, the arrangement was made whereby each was to get 1,875 shares of preferred, Bertron's to maintain prior commitments, and Fisk's to serve as additional compensation.

Of the total consideration to Hutchinson, \$750,000. cash and 18,840 shares of common stock went beneficially to Hutchinson interests. Hutchinson stated that he used the cash to reimburse, with interest, those who advanced funds to him, and about one-half of the 18,840 shares of common stock to meet other obligations he had created in furthering the project.

In addition to the Hutchinson agreement, Harvey Fisk & Sons also executed, on June 14, 1905, an agreement with the Contracting Company which provided that Harvey Fisk & Sons assign a [24532] (page 12) loan arrangement with Knickerbocker Trust Company and their rights and obligations under the bond and stock purchase agreements, except the right to repurchase the bonds. In consideration, the Contracting Company appointed Harvey Fisk & Sons its



agents ~~to carry~~ out its obligations under the bond and stock purchase agreements.

A loan arrangement with Knickerbocker Trust Company had been provided for in the Dimock-Bertron-Barney underwriting agreement. The Harvey Fisk & Sons' underwriting also provided for a loan arrangement which was made with the Knickerbocker Trust Company about May 15, 1905. Knickerbocker Trust Company was also trustee under the mortgage executed by McCall Company as of June 15, 1905.

On October 18, 1905, McCall Company entered into an agreement with Hugh L. Cooper for the management of hydraulic engineering and construction. Cooper actually began construction on October 24th. On October 25th, McCall Company entered into an agreement with Sander-son and Porter to superintend electrical construction and manage accounts.

A stock deposit plan, dated January 20, 1906, was put into effect with Bertron, Dimock, and Wm. M. Barnum of Harvey Fisk & Sons comprising the voting committee. Harvey Fisk & Sons controlled the McCall Company through this committee. The records of stock deposits were kept by Harvey Fisk & Sons and we believe they have been destroyed.

The plan of financing the McCall development provided that each subscriber would receive a 45 or 50 per cent bonus of preferred stock on the par value of bonds. There was a provision in the underwriting agreement whereby Harvey Fisk & Sons could repurchase [24533] (page 13) the bonds at 90 per cent of par, thus leaving the preferred stock bonus as a potential profit to the original subscribers.

Gardiner M. Lane actively represented Lee, Higginson & Company in the McCall enterprise. He was a director from August 8, 1905 to March 2, 1909 and a member of the Executive Committee from August 8 to September 20, 1905. It may be assumed that the inconvenience of Lane's attend-



ing weekly meetings in New York was the cause of his being replaced on this committee by Bertron, which would help insure a quorum being present to transact routine business. When matters of importance were passed on by this Committee, Lane was frequently present at the meetings which had been scheduled for his convenience. His resignation from the Committee, therefore, did not reduce his influence in matters of policy of the McCall Company. He was one of the five members of the Bondholders' Committee formed on December 7, 1908.

After the original financing, a change in plans for the development, to materially increase the capacity, required more money than was originally provided. Therefore, in June 1907, the question of disposing of the unissued bonds, amounting to a par value of \$1,675,000. was considered with the idea of obtaining enough additional cash to complete the project. By early July, it seems to have been decided to sell \$500,000. par of the bonds immediately, reserving the balance for sale about six months later. Lee, Higginson & Company, as one of the five largest stockholders, agreed to underwrite \$100,000. of the half million and made plans to secure subscribers. By the time their plans were ready, the financial market appears to have [24534] (page 14) become unfavorable for raising money and the additional underwriting was suspended. The Knickerbocker Trust Company went into receivership in the fall of 1907, but arrangements were made for it to complete the loan to the Contracting Company, provided for in 1905. By mid-summer of 1908, the cash available to the McCall Company was practically exhausted.

A resolution was passed by the Executive Committee of McCall Company in January 1908, at the request of Lane, authorizing the firm of Stone & Webster to make an investigation of the cost of completing the McCall project and the earnings which might be expected. After some work had been done, it became apparent that the investigation would be more expensive than had been anticipated.

and the firm of Stone & Webster was asked to suspend its investigation. The expense of this investigation was presumably paid by Lee, Higginson & Company.

In July 1908, Lee, Higginson & Company, Harvey Fisk & Sons and General Electric Company authorized Electric Bond and Share Company to make an investigation of the cost to complete the McCall development. It was stipulated by the parties that the cost of this investigation should not exceed \$10,000. and would be shared equally by each of the parties. The report was prepared by Albert S. Crane and J. D. Mortimer but Electric Bond & Share Company apparently did not think well of the proposition and no further action was taken by them.

The question was raised in July 1908 as to the possibility of using the unsold bonds to secure loans from directors or [24535] (page 15) others financially interested in keeping the company intact. It was contemplated that five \$100,000. loans would be obtained, but for some unknown reason, the Hutchinson interests failed to make their loan. On October 28, 1908, loans of \$100,000. were made by each of the following:

Harvey Fisk & Sons  
Lee, Higginson & Company  
Bertron, Storrs & Griscom  
C. A. Coffin

These loans were secured by 702 McCall bonds, the Conowingo Land Company \$25,000. mortgage, and the equity of the McCall Company in the \$250,000. indemnity deposit with the Knickerbocker Trust Company for completion of the railroad relocation.

When the bond issue of McCall Company was originally offered, Lee, Higginson & Company apparently subscribed to \$2,620,000. of bonds, of which the firm retained \$500,000. The subscription was not made in the capacity of Bankers or Syndicate Managers but in the capacity of independent subscribers. Lee, Higginson & Company then,

in turn, obtained sub-underwriters on their own form of Underwriting Agreement. Thereby, the Lee, Higginson & Company subscribers were not responsible to Harvey Fisk & Sons but to Lee, Higginson & Company and the latter, in turn, was responsible to Harvey Fisk & Sons.

In November 1908, the Susquehanna Contracting Company was unable to repay its loans from the Knickerbocker Trust Company and the individual underwriters became personally liable for the Susquehanna Contracting Company loans on a prorated basis in accordance with the provisions of the Harvey Fisk & Sons' Underwriting Agreement of March 25, 1905. [24536] (page 16) By reason of this default by the Contracting Company, Lee, Higginson & Company became liable on account of \$2,425,000. of bonds for which they had subscribed on the deferred plan, whereas Bertron, Storrs & Griscom, who were joint bankers with Harvey Fisk & Sons in the underwriting, were liable only for the subscription of their own firm. This indicates that, although Lee, Higginson & Company assisted in the sale of the bonds, they did not occupy the same status as the bankers and actually became guarantors for the subscriptions that they sold to others.

Arrangements were made for the Knickerbocker Trust Company to accept an additional 20% payment from all deferred subscribers and accept notes for the balance due for one year. In a list of these deferred subscribers, Lee, Higginson & Company is shown as liable for a balance due on \$2,350,000. of bonds and as being guarantor on an additional amount of \$75,000. The \$195,000. other bonds subscribed by them were taken by non-deferred subscribers and had been paid for in full. It may be presumed that Lee, Higginson & Company, in turn, secured notes for the balance due them from their sub-underwriters to whom they had sold these bonds.

The McCall Company defaulted on its bond interest due December 15, 1908. Anticipating the inability of the company to meet its obligations, the holders of a large por-



tion of the bonds outstanding asked the following to act as a Committee in the interests of holders of bonds and preferred stock:

Wm. M. Barnum  
A. C. Bedford  
S. R. Bertron  
C. A. Coffin.  
G. M. Lane

[24537] (page 17)

Public announcement of the formation of this committee and the impending default was made to all bondholders on December 7, 1908 over the names of:

Harvey Fisk & Sons	Bertron, Storrs & Griscom
Lee, Higginson & Company	H. F. Dimock
C. A. Coffin	

With the announcement also went a request and agreement for the deposit with the committee of bonds and preferred stock. Sufficient bonds were deposited for the proposed committee to proceed with its reorganization plans.

The Bondholders' Committee immediately entered into a provisional agreement with J. E. Aldred for the new financing necessary to complete construction. On April 24, 1909, the Committee accepted a plan which Aldred had submitted for refinancing the enterprise. The McCall Company bonds were to be exchanged for securities in the reorganized company on a par basis of 40% bonds and 60% stock. The reorganized company was to use \$4,170,000. of its bonds and \$3,500,000. of its stock to raise \$3,753,000. in cash. All except 66 of the 8,325 bonds of the McCall Company then outstanding, were exchanged for securities in the reorganized company.

On July 17, 1909, Aldred was appointed Receiver and continued in this capacity until after the formation of the Pennsylvania Water & Power Company. While acting as



Receiver, he also made expenditures on behalf of the Bondholders' Committee to further construction of the plant, the funds having been advanced by the syndicate furnishing the new money. Among the expenditures made by Aldred for the Committee were the purchases of the four \$100,000. notes of the Susquehanna Contracting Company with interest at 6%. Three of the notes were purchased [24538] (page 18) on October 11, 1909 and the fourth which was made to Lee, Higginson & Company was purchased on October 15th.

Aldred had permitted the old McCall Company bondholders to subscribe to \$500,000. par value of the new Pennsylvania Water & Power Company bonds in addition to those exchanged for McCall securities. Of this amount, Lee, Higginson & Company customers subscribed to \$20,000., Frederick Ayer taking \$19,000. and Robert Grant, \$1,000.

On December 7, 1909, the Bondholders' Committee purchased the property of the McCall Company at foreclosure sale for \$2,000,000. and on January 13, 1910 transferred this property to the Pennsylvania Company in exchange for that company's securities. The Pennsylvania Water & Power Company was formed on the same date, as a reorganization of McCall Ferry Power Company. Aldred was subsequently discharged as Receiver on March 18, 1910.

EXHIBIT No. 397.

[24539]

(Copied from Co. file #3222.48 — 9)

FILE P

September 9, 1912.

Mr. R. S. Kelsch, Consulting Engineer,  
Power Building,  
Montreal, Canada.

Dear Sir:—

We have gotten very satisfactory results from the flash boards which we installed on our dam.

We drilled a line of vertical holes 18" deep, spaced 2'—6" center to center along the crest of the dam, the dam having a length just short of one-half mile. In these holes were cemented pipe bushings to fit the flash board pins.

[24540] (page 2)

The flash board pins are of wrought iron, 6'—3" long, and project 4'—9" above the crest of the dam. The pins are 2-5/16" and 2-1/8" in diameter and are grooved circumferentially 1 1/2" above the top of the pipe bushing in the dam crest. The diameter of the pins at the bottom of the groove is 2-1/8" for 1864 feet of the length of the dam, and 1-3/4" over the remaining 500 feet of the length of the dam. That is, there are 500 feet of pins which are weaker than the remainder.

The flash boards are of 1" undressed yellow pine timber, 12' long and over-cap 24" at each end. The boards are fastened together in sections 4'—6" high, and provided with wrought iron lifting handles.

The layout is so designed as to store water up to 4'6" above the crest of the dam. When the water rises to 5'3"

above the crest of the dam, the first section of weak pins falls and the water passes through the gap so formed. The diversion of the water through this gap, will, under ordinary conditions, draw down the pond and allow us to remove the remaining flash boards and pins.

In case the water rises so rapidly as to prevent this latter operation, the remainder of the pins will fall when the water elevation is 6'-0" above the crest of the dam.

In case we want to work below the dam as we are doing just now, we reverse the pins bringing the grooved ends up, thus ensuring that the section along which the pins are reversed, will not fail until after all other pins have failed.

In order not to flood out certain properties about 8 miles up the river from us, we had to so design the flash board arrangement that flooding out of that property would not occur with a river stage represented by the quantity of water which would flow through the weak flash board pin gap section, plus the amount flowing through the power house, plus the amount flowing over the remaining flash boards up to a height at which the latter flash boards also would fall. We had, of course, to take into consideration the slope of the river at such a stage, and we had to be very particular in view of the fact that an injunction and law-suit had been brought against us in connection with the flooding of the property up the river.

We made pretty exhaustive tests in connection with these flash boards, since we found that there were many things which entered into the problem, which made a priori calculation difficult. For instance, we found that if we did not notch the pins they would bend over very slowly and the slow bending would increase the bending strength of the pins and this, together with the variation in the water pressure on the pins, caused by the inclined position of the pins, and by leakage occasioned by cracks opening up between the boards during pin failure, resulted in requiring a considerably higher elevation of water to cause the boards to lie down flat; also, we found it necessary to test

samples of pins taken at random owing to the difficulty in obtaining a uniform grade of wrought iron. We experimented with cast iron pins, but the sudden giving way of such pins might cause trouble down river to men in row boats, owing to the flood wave.

[24541] (page 3)

We found it advisable to have the pins so arranged that they would give away slowly when the water reached a critical height, bending first about 9" at the top. After having passed through this small angle slowly, we wanted the pins to then fall rapidly so as to insure that all of them would be forced down flat along the crest of the dam before the water level would drop too much and the water level against the remaining pins be insufficient to force them also down flat.

When the water reaches the critical height above the dam crest, the wave action due to wind, causes a pounding against the flash boards so that the pins under such circumstances will start to bend before the critical water height is reached. We wanted the bending to be slight at first under such conditions, so as to avoid the unnecessary failure of the pins due to wave action and before the water has reached a critical height.

12" upstream from the line of flash board pins, we have placed pipe socket bushings in the concrete for a line of heavy pins, which might be called guard pins; these guard pins are used only in erecting or removing the flash boards. The guard pins are spaced 5' center to center, and are of wrought iron 6'-3" long and 2-5/16" in diameter.

The flash boards are erected and removed from a scow, the scow resting against the guard pins, and when necessary the scow is anchored back to a series of cribs which we have placed upstream from the dam. The scow is moved along the dam, guard pins being removed at the stern as the scow passes along and jumped ahead and placed in



position at the bow. The scow is fitted up with a steam winch and is, in fact, especially arranged for this flash board work. Unless there is considerable water flowing over the dam crest, the guard pins are not used.

The men have been drilled so that it is not a long job for them to erect or remove the flash boards. Thirty men in five hours can set up the half mile of flash boards if the water is not more than one foot deep over the dam crest.

These flash boards have been of very great assistance to us during the low water season. We draw down the water behind the flash boards during the day and fill up the pond at night and on Sunday. Without these flash boards we would have been compelled to run considerable steam this Summer and so far we have not yet had to drop a bit of our load. We have telegraphic reports every day from up river, so that we can estimate the river flow. If too much water comes down we open up our #10 Headgates and by-pass the water until the freshet is passed. Several times we have had our pondage exhausted above the dam but we managed to hang on over Saturday and Sunday until a freshet of which we had advice could reach us.

It is very interesting to note the difference in time required for a large and a small freshet to travel down the river. The river is very wide and shallow so that a small freshet spends considerable of its volume in the long reaches of the river above us and sometimes the river will be actually falling North of us before we get the previous freshet.

[24542] (page 4)

Yours very truly,

CHIEF ENGINEER.

EXHIBIT No. 398.

[24543]

(Copied from McCall Ferry Power Co. file # 112)

Office of  
LEE, HIGGINSON & CO.  
44 State Street  
Boston.

New York,  
July 5, 1907

Messrs. Lee, Higginson & Co.  
44 State St., Boston, Mass.

Gentlemen:

As you know, when we financed the McCall Ferry Power Company, it was financed for 50,000 Horse Power development. Subsequently it was found that a minimum of 75,000 H.P. could be developed with a small proportionate increase in cost, and this was approved by the Directors.

This decision necessitates therefore the sale of the remaining Treasury Bonds of the Company, namely, about \$1,600,000. The Company has in its Treasury also the necessary amount of Preferred Stock to go with these Bonds, so that we can give the same amount as given on the original Underwriting, as a bonus. The Company will require these additional funds to begin to be paid in the next Fall. It will therefore be necessary to finance the Company to the extent of about \$1,600,000 to complete the development. Probably half a million dollars will be all that they will need on this account until toward the close of the year.

With a view of putting the Company in funds in the Fall, it has been suggested by the President of the company that those of us interested in the Common Stock, should underwrite half a million of the Bonds on the old basis,

provided a Syndicate Loan were made on the original basis for six months or twelve months. I believe the five largest interests have agreed each to underwrite \$100,000 on this basis, with the exception of yourselves. This will leave us about six months, or nearly so, to arrange for the last million.

We wanted very much to go over these matters with Mr. Lane and get his approval. Will you be kind enough to let us know your views in this matter. We will be glad to discuss it over the 'phone with you tomorrow forenoon, if you care to call us up tomorrow or Monday.

This Underwriting would not be pledged probably until Fall but it was thought wise to arrange for half a million speedily so that the company would know that it was available.

We hand you copy of data prepared by the Chief Engineer on the probable earnings from the McCall Ferry Power Company.

Very truly yours,

(S.) Bertron, Storrs & Griscom

Enclosure.

A. Data.

Exhibit No. 399

4333

EXHIBIT No. 399.

[24544]

(Susquehanna Contracting Co. File #30)

(COPY)

June 22nd, 1905.

Cary T. Hutchinson, Esq.  
No. 60 Wall Street,  
Manhattan, New York.

My dear Hutchinson:

I send you herewith original agreement Cary T. Hutchinson and Susquehanna Contracting Company dated the 14th day of June, 1905. Under the terms of this agreement you have already received the \$750,000. therein provided, and you are still to receive \$400,000. of the preferred stock and 48,840 shares of the par value of \$4,884,000 of the common stock of McCall Ferry Power Company. The stock will probably be delivered to you about the first or second week of July.

I also send you receipt for \$155,500. signed by Beyer, Willson and the Lancaster Trust Company and Franklin and Marshall College. Also certificates numbers 1, 2, 3, 4 and 5, each for two (2) shares of the capital stock of the McCall Ferry Power Company endorsed in blank. These represent the \$1,000. in capital stock which you have received from Beyer and Willson.

Yours very truly,

(S) Lorenzo Semple

Enclosures.



**EXHIBIT NO. 404.**

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**[24549]**

**Witness Dale E. Goubleman**

**FEDERAL POWER COMMISSION**

**Docket No. IT-5915**

**Pennsylvania Water & Power Company**

**SUPPLEMENTAL  
RATE OF RETURN STUDY**

**May 9, 1947**

### MOODY'S BOND YIELD AVERAGES

BASED ON BONDS OF 120 DOMESTIC CORPORATIONS - ACCORDING TO GROUPS

## 40 INDUSTRIALS

[illegible]

1

2.

## DO

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Exhibit No. 404

### MOODY'S BOND YIELD AVERAGES

BASED ON BONDS OF 120 DOMESTIC CORPORATIONS - ACCORDING TO GROUPS

## 40 UTILITIES

[illegible]



4338

Exhibit No. 404

[24553]

### MOODY'S BOND YIELD AVERAGES

BASED ON BONDS OF 120 DOMESTIC CORPORATIONS—COMPOSITE AND ACCORDING TO RATINGS

COMPOSITE

[illegible]



[24555]

82

BASED ON BONDS OF 120 DOMESTIC CORPORATIONS—COMPOSED OF 70% A- AND B-1 RATINGS

[illegible]





10a

### MOODY'S BOND YIELD AVERAGES

BASED ON BONDS OF 120 DOMESTIC CORPORATIONS—COMPOSITE AND ACCORDING TO RATINGS

30 DOMESTIC CORPORATIONS - RATING BAA.

[illegible]

BONDS USED IN MOODY'S CORPORATE BOND YIELD AVERAGESPUBLIC UTILITIESAaaAa

Boston Edison 2-3/4s, 1970  
 Cincinnati Gas & El. 2-3/4s, 1975  
 Cleveland Elec. Illum. 3s, 1970  
 Commonwealth Edison 3s, 1977  
 Connecticut Lt. & Pr. 3s, 1974  
 Cons. Gas E. L. & P. Balt. 2-3/4s, 1976  
 Illinois Bell Tel. 2-3/4s, 1981  
 Phila. Elec. Co. 2-3/4s, 1971  
 Public Serv. El. & Gas 3s, 1972  
 Southwest'n Bell Tel. 2-3/4s, 1985

Am. Tel. & Tel. 2-3/4s, 1980  
 Delaware Pr. & Lt. 3s, 1973  
 Houston Ltg. & Pr. 2-7/8s, 1974  
 Metropolitan Ed. 2-7/8s, 1974  
 New York Pr. & Lt. 2-3/4s, 1975  
 Ohio Power 3s, 1971  
 Pacific Gas & Elec. 3s, 1979  
 Union Elec. Co. of Mo. 2-3/4s, 1975  
 Virginia El. & Pr. 2-3/4s, 1975  
 Pub. Serv. of Okla. 2-3/4s, 1975

ABaa

Appalachian El. Pr. 3-1/4s, 1970  
 Arkansas Pr. & Lt. 3-1/8s, 1974  
 Central N. Y. Pr. 3s, 1974  
 Indianapolis P. & L. 3-1/4s, 1970  
 Louisiana Pr. & Lt. 3s, 1974  
 Ohio Edison 2-3/4s, 1975  
 Oklahoma Gas & El. 2-3/4s, 1975  
 Potomac Edison 3s, 1974  
 Southwestern Gas & El. 3-1/4s, 1970  
 Wisconsin Pub. Serv. 3-1/4s, 1971

Central Ohio Lt. & Pr. 3-1/2s, 1974  
 Alabama Pr. 3-1/2s, 1972  
 Central Ill. El. & Gas 3s, 1975  
 Empire Dist. El. 3-1/2s, 1969  
 Kentucky Utilities 4s, 1970  
 Mississippi Pr. 3-1/8s, 1971  
 Portland Gen. El. 3-1/8s, 1975  
 South Carolina Pr. 3s, 1975  
 Central Pr. & Lt. 3-1/8s, 1973  
 Puget Sound P. & L. 4-1/4s, 1972

RAILROADSAaaAa

Chesapeake & Ohio 4-1/2s, 1992  
 Cincinnati Union Term. 2-3/4s, 1974  
 Kansas City Term. 2-3/4s, 1974  
 Norfolk & Western 4s, 1996  
 Terminal R.R. of St. L. 2-7/8s, 1985  
 Union Pacific 2-1/2s, 1991

Ala. Gt. So. 3-1/4s, 1967  
 Atch., Top. & S. Fe gen. 4s, 1995  
 Monongahela Ry. 3-1/4s, 1966  
 Union Pacific 2-7/8s, 1976  
 Virginian Ry. 3s, 1995  
 Wheeling & Lake Erie, 2-3/4s, 1992

BONDS USED IN MOODY'S CORPORATE BOND YIELD AVERAGESRAILROADS (Cont'd.)A

Chicago & Erie 5s, 1982  
 Chicago & Nor. West 3s, 1989  
 Erie R. R. Ohio Div. 3-1/4s, 1971  
 Great Northern 2-3/4s, 1982  
 Louisv. & Nashv. 2-7/8s, 2003  
 Nashv., Chatt. & St. L. 3s, 1986  
 N. Y. Connecting R.R. 2-7/8s, 1975  
 Pennsylvania 4-1/4s, 1981  
 Reading 3-1/8s, 1995

Baa

Chicago, Burl. & Quincy 3-1/8s, 1985  
 Clev., Cin., Chi. & St. L. 4s, 1993  
 Erie 3-1/8s, 2000  
 N. Y. Cent. & Hud. Riv. 3-1/2s, 1997  
 N. Y., Chicago & St. L. 3-1/4s, 1980  
 Northern Pacific 4s, 1997  
 Pere Marquette 3-3/8s, 1990  
 Southern Rwy. 5s, 1994  
 Texas & Pacific 1st 5s, 2000  
 Wabash R.R. 3-1/4s, 1971

INDUSTRIALSAaa

Atlantic Ref. 2-5/8s, 1966  
 Socony-Vacuum Oil 2-1/2s, 1976  
 Standard Oil of N.J. 2-3/8s, 1971  
 Standard Oil Calif. 2-3/4s, 1966  
 Swift & Co. 2-3/4s, 1966

Aa

Bethlehem Steel 2-3/4s, 1970  
 Deere & Co. 2-3/4s, 1965  
 National Steel 3s, 1965  
 Phillips Petrol. 2-3/4s, 1964  
 Quaker Oats 2-5/8s, 1964  
 Shell Union Oil 2-1/2s, 1971

A

American Tobacco 3s, 1969  
 Celanese Corp. 3s, 1965  
 Goodrich Co. (B.F.) 2-3/4s, 1965  
 Koppers Co. 3s, 1964  
 Lorillard (P.) Co. 3s, 1963  
 National Dairy Prod. 2-3/4s, 1970  
 Skelly Oil 2-3/4s, 1965  
 Union Oil of Cal. 2-3/4s, 1970  
 U. S. Rubber 2-5/8s, 1976

Baa

Celotex Corp. 3-1/4s, 1960  
 Champion Paper & Fiber 3s, 1965  
 City Ice & Fuel 2-3/4s, 1966  
 Continental Baking Co. 3s, 1965  
 Cudahy Packing 3s, 1964  
 Eastern Gas & Fuel Asso. 3-1/2s, 1965  
 Houdaille-Hershey Corp. 3s, 1960  
 Jones & Laughlin 3-1/4s, 1961  
 Mead Corp. 3s, 1966  
 Wheeling Steel 3-1/4s, C, 1970

16a

MOODY'S WEIGHTED AVERAGES OF YIELDS ON NEWLY ISSUED DOMESTIC BONDSUNIT : PER CENT

<u>Year</u>	<u>Industrial Bonds</u>	<u>Utility Bonds</u>	<u>Railroad Bonds</u>
1945	2.98	2.85	3.22

Note: The above table shows the movement of the average Price of Capital for Industrial, Utility and Railroad Bonds. By "Price of Capital" is meant the average yield to maturity on newly issued bonds. The figures are weighted by the amounts of all new issues floated in any period.

Source of data: Moody's Bond Survey, February 18, 1946, page 630.





**Exhibit No. 404**

4347

12a.

BASED ON BONDS OF 40 PUBLIC UTILITIES - ACCORDING TO RATINGS

[illegible][illegible]

YIELDS AT OFFERING TO DATE OF MATURITY ON  
ELECTRIC OPERATING UTILITY BONDS ISSUED DURING THE YEAR  
1946

<u>Name of Issue</u>		<u>Approx.</u> <u>Offering</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Price to</u> <u>Public</u>	<u>Approx.</u> <u>Yield</u> <u>Percent</u>
<u>RATING Aaa</u>					
Cons. Gas Electric Light & Power Co. of Balto.	First & Ref. S.F., 2-3/4%, R, 1981	May	\$ 44,660,000	\$104.50	2.55
Kansas City Power & Light Co.	First Mtge. 2-3/4%, 1976	Dec.	36,000,000	101.43	2.68
Philadelphia Electric Co.	First & Ref. 2-3/4%, 1981	Dec.	30,000,000	101.35	2.69
Total - Rating Aaa			<u>110,660,000</u>		<u>2.63</u>
<u>RATING Aa</u>					
Madison Gas & Electric Co.	First Mtge. 2-1/2%, 1976	Feb.	4,500,000	102.25	2.40
Gulf States Utilities Co.	First Mtge. 2-5/8%, 1976	June	27,000,000	101.49	2.55
Philadelphia Electric Power Co.	First Mtge. 2-5/8%, 1975	June	30,000,000	102.57	2.50
Wisconsin Electric Power Co.	First Mtge. 2-5/8%, 1976	June	50,000,000	101.56	2.55
Tampa Electric Co.	First Mtge. 2-5/8%, 1976	Sept.	7,500,000	99.48	2.65
Pacific Gas & Electric Co.	First & Ref. 2-3/4%, P, 1981	Oct.	25,000,000	100.50	2.73
Total - Rating Aa			<u>144,000,000</u>		<u>2.57</u>
<u>RATING A</u>					
St. Joseph Light & Power Co.	First Mtge. 2-5/8%, 1976	Apr.	3,750,000	102.63	2.50
Utah Power & Light Co.	First Mtge. 2-3/4%, 1976	May	32,000,000	101.50	2.68
Central Maine Power Co.	First & Gen. 2-3/4%, N, 1976	May	13,000,000	102.00	2.65
Illinois Power Co.	First Mtge. 2-7/8%, 1976	May	45,000,000	102.54	2.75
Jersey Central Power & Light Co.	First Mtge. 2-7/8%, 1976	May	34,500,000	103.00	2.73
Ohio Public Service Co.	First Mtge. 2-3/4%, 1976	June	32,000,000	101.00	2.70
Iowa Public Service Co.	First Mtge. 2-3/4%, 1976	June	13,750,000	101.75	2.67
Pennsylvania Electric Co.	First Mtge. 2-3/4%, 1976	June	23,500,000	102.47	2.63
California Electric Power Co.	First Mtge. 3%, 1976	July	16,000,000	104.50	2.78
Missouri Power & Light Co.	First Mtge. 2-3/4%, 1976	July	7,500,000	102.06	2.65
Northwestern Public Service Co.	First Mtge. 3%, 1973	Oct.	5,275,000	101.63	2.91
El Paso Electric Co.	First Mtge. 2-3/4%, 1976	Oct.	6,000,000	100.97	2.79
Safe Harbor Power Corp.	First Mtge. 3%, 1981	Nov.	14,000,000	106.76	2.70
Total - Rating A			<u>246,275,000</u>		<u>2.71</u>
<u>RATING Baa</u>					
<u>NONE</u>					

Source: Moody's Public Utilities Cumulative Supplements - 1946

[24563]

Exhibit No. 404

4348

32a

SHORT TERM INTEREST RATES4-6 MONTHS COMMERCIAL PAPER AND 60-90 DAY TIME LOANS4-6 MONTHS COMMERCIAL PAPER

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1946	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.81	0.81	0.88	0.95	1.00	0.81
1947	1.00	1.00											

60-90 DAY TIME LOANS

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1946	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.45	1.50	1.50	1.50	1.50	1.35
1947	1.50	1.50											

Source of data: Standard & Poor's Trade and Securities-Statistics, Current Statistics Section. (Published by Standard & Poor's Corporation)



34a.

COMMERCIAL LOAN RATESAVERAGES OF RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIESNEW YORK CITY

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945												1.71	1.99
1946			1.75			1.84			1.83			1.85	1.82

SEVEN NORTHERN AND EASTERN CITIES (EXCLUDING NEW YORK CITY)

1945												2.23	2.51
1946			2.34			2.51			2.43			2.43	2.43

35a

COMMERCIAL LOAN RATESAVERAGES OF RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIESELEVEN SOUTHERN AND WESTERN CITIES

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1945												2.38	2.73
1946			2.93			2.97			2.75			2.76	2.85

Source of Data: Federal Reserve Bulletin

38  
(Supplement 4/23/47)

EARNINGS-PRICE RATIOS ON OUTSTANDING COMMON STOCKS OF FOURTEEN ELECTRIC  
OPERATING UTILITIES - JANUARY 1940 to MARCH 1947, INCLUSIVE

	<u>1946</u>	<u>1947</u>
January		6.55%
February		6.66
March		6.89
April	4.95 %	
May	5.47	
June	5.46	
July	5.65	
August	6.12	
September	6.59	
October	6.62	
November	6.63	
December	6.47	

The above data is based on the closing market quotations at the end of the month and the latest available earnings for a twelve months' period immediately preceding the particular month. The earnings-price ratios are based on weighted figures.

Source of data: Moody's Public Utility Cumulative Index  
Standard & Poor's Stock Guide  
Bank & Quotation Record

EARNINGS-PRICE RATIOS OF OUTSTANDING COMMON STOCKS OF FOURTEEN ELECTRIC OPERATING COMPANIES

FEBRUARY 28, 1947

Company	Common Shares Outstanding (C)	Market Price Feb. 28, 1947 (A)	Total Market Price	Latest Earnings (C)		Earnings- Price Ratio
				Amount	12 Months Ended	
Bangor Hydro-Electric Co.	217,216	30-1/2 (B)	\$ 6,625,089	\$ 664,672	12-31-46	10.03 %
Boston Edison Co.	2,468,656	46-5/8	119,113,429	6,243,026	12-31-46	5.42
Cleveland Electric Illuminating Co.	2,324,564	42-1/8	97,922,258	5,943,656	12-31-46	6.07
Commonwealth Edison Co.	13,732,000	31-1/2	432,558,000	25,370,007	9-30-46	6.10
Consolidated Edison Co. of N. Y.	11,476,527	28-3/8	325,646,453	25,258,092	12-31-46	7.76
Cons. Gas Elec. Lt. & Pr. of Balto.	1,167,397	79-3/4	93,099,911	6,371,122	12-31-46	6.84
Detroit Edison Co.	6,361,300	26-3/4	170,164,775	10,654,541	1-31-47	6.26
Houston Lighting & Power Co.	517,299	90-5/8	46,946,249	3,582,667	11-30-46	7.63
Idaho Power Co.	450,000	36-1/2	16,425,000	1,232,108	12-31-46	7.50
Indianapolis Power & Light Co.	857,802	28	24,018,456	2,375,806	9-30-46	9.89
Pacific Gas & Electric Co.	6,261,357	42	262,976,994	16,992,974	9-30-46	6.46
Pennsylvania Water & Power Co.	429,848	65	27,940,120	2,033,408	12-31-46	7.28
Philadelphia Electric Co.	9,726,240	25	243,156,000	16,927,976	9-30-46	6.96
Southern California Edison Co., Ltd.	3,182,805	34	108,215,370	6,544,245	9-30-46	6.05
Total			<u>\$1,970,808,104</u>	<u>\$131,191,130</u>		<u>6.66 %</u>

(A) Source of Data: Bank & Quotation Record, March 10, 1947

(B) Bid Price

(C) Source of Data: Moody's Public Utilities Cumulative Index

Note: Philadelphia Electric Co. \$1.00 Dividend Preference Common Stock omitted from above since preference feature places this stock in a distinctive category.

At December 31, 1946, the Common Stock and Surplus represented approximately 43% of the total capitalization of the above fourteen companies.



YIELDS ON OUTSTANDING PREFERRED STOCKS OF FOURTEEN ELECTRIC OPERATING  
UTILITIES JANUARY 1940 TO MARCH 1947, INCLUSIVE

	<u>1946</u>	<u>1947</u>
January		4.16%
February		4.14
March		4.17
April	4.09%	
May	4.06	
June	4.04	
July	4.00	
August	4.07	
September	4.24	
October	4.22	
November	4.24	
December	4.23	

Note:

The above yields are based on the closing quotations at the end of the month, the dividend rate and the number of shares outstanding in order to reflect weighted averages.

Source of data: Standard & Poor's Stock Guide  
Bank & Quotation Record  
Moody's Public Utility Cumulative Index

YIELDS ON OUTSTANDING PREFERRED STOCKS OF FOURTEEN ELECTRIC OPERATING UTILITIESFEBRUARY 28, 1947

<u>Company</u>	<u>Preferred Shares Outstanding(G)</u>	<u>Call Price(F) N.C.</u>	<u>Market Price 2/28/47(A)</u>	<u>Total Market Price</u>	<u>Dividends</u>	<u>Yield</u>
Bangor Hydro-Electric Co., 7%, \$100	25,000		170(B)	\$ 4,250,000	\$ 175,000	4.12%
Cleveland Elec. Illuminating Co., \$4.50, No Par	254,989	107	111-1/2(B)	28,431,274	1,147,451	4.04
Consolidated Edison Co. of N.Y., \$5.00, No Par	2,188,890	105	107-1/2	235,305,675	10,944,450	4.65
Consol. Gas Elec.Lt. & Pr. Balto., B, 4 1/2%, \$100	222,921	113(C)	116	25,858,836	1,002,145	3.88
Consol. Gas Elec.Lt. & Pr. Balto., C, 4%, \$100	68,928	106	109-1/2(B)	7,547,616	275,712	3.65
Houston Lighting & Power Co., \$4, No Par	97,397	107	110-1/2(B)	10,762,369	389,588	3.62
Idaho Power Co., 4%, \$100	100,000	106	107(B)	10,700,000	400,000	3.74
Indianapolis Power & Light Co., 4%, \$100	100,000	118	108(E)	10,800,000	400,000	3.71
Pacific Gas & Electric Co., 5 1/2%, \$25	1,173,162	N.C.	37-7/8(B)	44,433,549	1,613,099	3.63
Pacific Gas & Electric Co., 6%, \$25	4,211,662	N.C.	41	172,678,142	6,317,493	3.66
Pacific Gas & Electric Co., 5%, \$25	400,000	N.C.	33-1/4(B)	13,300,000	500,000	3.76
Pennsylvania Water & Power Co., \$5, No Par	21,493	110	110(B)	2,364,200	107,465	4.55
Philadelphia Electric Co., 4.40%, \$100	274,720	114-1/2(D)	117-1/2	32,279,600	1,208,768	3.74
Philadelphia Electric Co., 3.80%, \$100	300,000	106	106	31,800,000	1,140,000	3.58
Southern Calif. Edison Co., Ltd., B, 6%, \$25	1,907,256	28-3/4	31-5/8	60,316,971	2,860,884	4.74
Southern Calif. Edison Co., Ltd., C, 5 1/2%, \$25	1,399,601	28-3/4	31	43,387,631	1,924,202	4.43
Total				<u>\$734,215,863</u>	<u>\$30,407,257</u>	<u>4.14%</u>

## Footnotes:

(A) Source of Data: Bank &amp; Quotation Record, March 10, 1947.

(B) Bid price.

(C) Callable at 110 from June 30, 1950 to June 30, 1951.

(D) Callable at 114 from December 31, 1948 to December 31, 1950.

(E) Sale price Feb. 1, 1947 - no bid price available Feb. 28, 1947. Ask price on Feb. 28, 1947 was 109.

(F) Source of Data: Standard &amp; Poor's Stock Guide, March 1947.

(G) Source of Data: Moody's Public Utilities Cumulative Index.

Where shares were outstanding but no quotations were available, the stock was eliminated from the schedule.

Southern California Edison Co., Ltd., 5%, original Cumulative Participating Preferred, \$25 par value, was omitted from above since participating feature places this stock in a distinctive category.

**ELECTRIC OPERATING UTILITY PREFERRED STOCKS ISSUED DURING THE PERIOD 1935 - 1946, INCLUSIVE,  
WITH EFFECTIVE DIVIDEND RATE TO COMPANIES AND YIELDS TO PUBLIC AT DATE OF OFFERING**

39-b

1946

Company and Issue(4)		No. of Shares Offered to Public	Approx. Offering Date (1946)	Net Proceeds to Companies		Effective Dividend Rate to Company	Price to Public		Yield to Public (Percent)
				Per Share	Total		Per Share	Total	
Buffalo Niagara Electric Corp.	3.60%, \$100 par	350,000 (1)	Jan.	(2)	(2)	(2)	\$102.85	(2)	3.50
Potomac Edison Co.	3.60%, \$100 par	63,784 (1)	Jan.	(2)	(2)	(2)	101.75	(2)	3.54
Iowa Power & Light Co.	3.30%, \$100 par	50,000 (1)	Feb.	(2)	(2)	(2)	101.30	(2)	3.25
Central New York Power Corp.	3.40%, \$100 par	200,000	Mar.	(2)	(2)	(2)	101.50	20,300,000	3.35
Central Ohio Light & Power Co.	3.60%, \$100 par	12,000	Apr.	(2)	(2)	(2)	102.49	1,229,830	3.51
Public Service Co. of New Hampshire	3.35%, \$100 par	102,000 (1)	Apr.	(2)	(2)	(2)	100.00	(2)	3.35
Public Service Co. of Indiana, Inc.	3.50%, \$100 par	150,000 (1)	May	(2)	(2)	(2)	100.00	(2)	3.50
Scranton Electric Co.	3.35%, \$100 par	53,248	May	(3)	(3)	(3)	101.50	5,404,672	3.30
Central Maine Power Co.	3.50%, \$100 par	220,000 (1)	May	(2)	(2)	(2)	101.50	(2)	3.45
Indianapolis Power & Light Co.	4.00%, \$100 par	42,814	May	(2)	(2)	(2)	115.00	4,923,610	3.48
Union Electric Co. of Missouri	\$3.50, No par	130,000 (1)	May	(2)	(2)	(2)	107.00	(2)	3.27
Jersey Central Power & Light Co.	4.00%, \$100 par	125,000	May	(2)	(2)	(2)	103.50	12,937,500	3.86
Ohio Public Service Co.	3.90%, \$100 par	156,300	June	(2)	(2)	(2)	102.63	16,041,069	3.80
Iowa Public Service Co.	3.75%, \$100 par	42,500	June	(2)	(2)	(2)	101.75	4,324,375	3.69
Pennsylvania Electric Co.	3.70%, \$100 par	101,000	June	(2)	(2)	(2)	102.50	10,352,500	3.61
Wisconsin Electric Power Co.	3.60%, \$100 par	260,000 (1)	June	(2)	(2)	(2)	101.00	(2)	3.56
Missouri Power & Light Co.	3.90%, \$100 par	40,000	July	(2)	(2)	(2)	104.00	4,160,000	3.75
Black Hills Power & Light Co.	4.20%, \$100 par	13,500 (1)	July	(2)	(2)	(2)	110.00	(2)	3.82
Newport Electric Corp.	3.75%, \$100 par	7,186	July	(2)	(2)	(2)	102.50	736,565	3.66
Northern States Power Co.	\$3.60, No par	275,000 (1)	Aug.	(2)	(2)	(2)	102.75	(2)	3.50
Otter Tail Power Co.	\$3.60, No par	17,286	Aug.	(2)	(2)	(2)	99.25	1,715,635	3.63
Central Illinois Public Service Co.	4.00%, \$100 par	150,000 (1)	Nov.	(2)	(2)	(2)	100.00	(2)	4.00
Philadelphia Electric Co.	3.80%, \$100 par	300,000	Dec.	(2)	(2)	(2)	104.11	31,233,000	3.65
Kansas City Power & Light Co.	3.80%, \$100 par	100,000	Dec.	(2)	(2)	(2)	102.70	10,270,000	3.70

Source: Moody's Public Utilities Cumulative Supplements - 1946.

Footnotes:

- (1) Subject to prior rights of Preferred Stockholders.
- (2) Data not available.
- (3) This does not represent new financing as stock was formerly held by an affiliate.
- (4) Cumulative unless otherwise noted.



40-A

## ELECTRIC OPERATING UTILITY COMMON STOCKS OFFERED TO THE PUBLIC DURING 1946, WITH EARNINGS-OFFERING PRICE RATIOS

										Earnings-Offering Price Ratios										
										Based on Actual Earnings					Based on Pro-Forma Earnings					
Line No.	Name of Issue (A)	Approx. Offering Date (B)	No. of Shares Offered (C)	Price to Public		Price Per Share to Underwriter (F)	Net Proceeds Per Share To Company(3) (G)	Cost of Flotation Per Share (3)		Line No.	Cost of Flotation Per Share (3)		Line No.	Earnings Per Share		Earnings Offering Price Ratio (Percent) (L)	Earnings Per Share		Earnings Offering Price Ratio (Percent) (O)	Line No.
				Total (D)	Per Share (E)			Amount (H)	% of Price To Public (I)		Amount (H)	% of Price To Public (I)		12 Months Ended (J)	Amount (K)		12 Months Ended (M)	Amount (N)		
1	Colorado Central Power Co., \$10 Par	Mar. 1946	43,750 (1)	\$ 1,487,500	\$34.00	\$32.43	\$31.97	\$2.03	5.97	1	\$2.03	5.97	1	12/31/45	\$2.54	7.48	10/31/45	\$1.78	5.24	1
2	Central Maine Power Co., \$10 Par	May 1946	371,645 (7)	10,406,060	28.00	26.75	26.63	1.37	4.89	2	1.37	4.89	2	3/31/46	1.43	5.01	12/31/45	1.56	5.57	2
3	Indianapolis Power & Light Co., No Par	May 1946	88,564 (4)	2,745,484	31.00	(2)	(2)	(2)	(2)	3	(2)	(2)	3	3/31/46	2.64	8.52	(2)			3
4	Pacific Gas & Electric Co., \$25 Par	May 1946	177,000 (1)	7,788,000	44.00	(2)	(2)	(2)	(2)	4	(2)	(2)	4	12/31/45	2.16	4.91	(2)			4
5	Public Service Co. of N. H., \$10 Par	May 1946	133,142	5,192,538	39.00	37.55	37.36	1.64	4.21	5	1.64	4.21	5	3/31/46	2.36	6.05	12/31/45	2.06	5.31	5
6	Scranton Electric Co., \$5 Par	May 1946	1,214,000 (1)	27,315,000	22.50	21.32	21.27	1.23	5.47	6	1.23	5.47	6	12/31/45	1.03	4.58	12/31/45	1.14	5.07	6
7	Columbus and Southern Ohio Elec. Co., \$10 Par	May 1946	744,455 (1)	39,828,342	53.50	51.19	51.01	2.49	4.65	7	2.49	4.65	7	3/31/46	4.75	8.86	3/31/46	3.06	5.73	7
8	Arkansas-Missouri Power Corp., \$5 Par	May 1946	40,000 (1)	720,000	18.00	16.50	16.23	1.77	9.83	8	1.77	9.83	8	3/31/46	1.72	9.56	(2)			8
9	Tucson Gas, Electric Light & Power Co., No Par	June 1946	147,000 (1)	5,880,000	40.00	37.81	37.27	2.73	6.82	9	2.73	6.82	9	12/31/45	2.55	6.39	(2)			9
10	Dayton Power and Light Co., \$7 Par	June 1946	1,530,000 (1)	54,697,500	35.75	33.64	33.56	2.19	6.13	10	2.19	6.13	10	3/31/46	1.90	5.32	(2)			10
11	California Electric Power Co., \$1 Par	June 1946	169,636	2,247,677	13.25	12.60	12.26	0.99	7.47	11	0.99	7.47	11	4/30/46	0.99	7.47	(2)			11
12	Ohio Edison Co., \$8 Par	June 1946	204,153	8,421,311	41.25	39.29	39.00	2.25	5.45	12	2.25	5.45	12	5/31/46	2.24	5.42	(2)			12
13	Central Ohio Light & Power Co., \$10 Par	July 1946	12,135 (8)	394,387	32.50	30.25	29.64	2.86	8.80	13	2.86	8.80	13	3/31/46	2.67	8.02	4/30/46	2.07	6.37	13
14	Otter Tail Power Co., \$10 Par	Aug. 1946	28,815 (5)	1,476,768	51.25	48.80	(2)	(2)	(2)	14	(2)	(2)	14	12/31/45	3.34	6.51	(2)			14
15	Cincinnati Gas & Electric Co., \$8.50 Par	Sept. 1946	1,447,525 (1) (6)	37,635,650	26.00	(2)	(2)	(2)	(2)	15	(2)	(2)	15	6/30/46	1.66	6.38	5/31/46	1.64	6.31	15
16	Consumers Power Co., No Par	Nov. 1946	500,000	18,000,000	36.00	33.54	33.22	2.78	7.72	16	2.78	7.72	16	9/30/46	2.69	7.47	(2)			16

Footnotes: (1) This offering does not represent new financing.

(2) Data not available.

(3) Based on estimates as reflected by Prospectus.

(4) Total offering was 142,967 shares which were subject to pre-emptive rights.

(5) Total offering was 51,216 shares which were subject to pre-emptive rights.

(6) Total offering was 2,040,000 shares which were subject to pre-emptive rights.

(7) Total offering was 373,832 shares which were subject to pre-emptive rights.

(8) Total offering was 30,000 shares which were subject to pre-emptive rights.



43-A

NATIONAL INCOME PAYMENTS

(MILLIONS OF DOLLARS)

<u>Year or Period</u>	<u>Total Income Payments</u>	<u>Compensation of Employees(1)</u>	<u>Entrepreneurial Income and Net Rents and Royalties</u>	<u>Dividends and Interest</u>	<u>Direct and Other Relief</u>	<u>Social Secu- rity Benefits and Other Labor Income(2)</u>
<u>Twelve Months Ended</u>						
Oct. 31	161,071	112,278	29,336	11,968	972	6,516
Nov. 30	160,892	111,313	29,529	11,994	980	7,076
Dec. 31	160,759	110,185	29,732	12,223	988	7,631
<u>1946</u>						
Jan. 31	160,449	108,848	29,972	12,409	998	8,222
Feb. 28	159,774	107,363	30,197	12,444	1,010	8,760
Mar. 31	159,287	106,138	30,387	12,486	1,024	9,252
Apr. 30	159,060	105,120	30,620	12,580	1,030	9,710
May 31	158,960	104,210	30,950	12,640	1,040	10,120
June 30	159,040	103,430	31,175	13,025	1,054	10,356
July 31	159,480	102,820	31,751	13,143	1,069	10,697
Aug. 31	160,290	102,790	32,260	13,200	1,080	10,950
Sept. 30	161,170	103,220	32,540	13,260	1,090	11,060
Oct. 31	162,400	103,790	33,250	13,290	1,110	10,960
Nov. 30	163,520	104,460	33,890	13,342	1,133	10,695
Dec. 31	165,080	105,240	34,590	13,718	1,181	10,351

Source of Data: Standard & Poor's Trade and Securities-Statistics, Current Statistics Section, Page 8.

NATIONAL INCOME PAYMENTS AND COST OF LIVING INDEXES1929 to 1947

<u>Year or Period</u>	<u>National Income Payments 1915-39= 100 (A)</u>	<u>Cost of Living 1935-1939=100(B)</u>	<u>National Income Payments at 1935-39 Prices</u>
(1)	(2)	(3)	(4)
1945	239.1	128.3	186.2
1946	245.0	139.3	175.9
<u>1947</u>			
Jan.	263.3	153.1	172.0.

(A) Data taken from Standard &amp; Poor's Trade &amp; Security Statistics, page 8.

(B) Data taken from Standard &amp; Poor's Trade &amp; Security Statistics, page 12.

INDEXES OF INDUSTRIAL PRODUCTION AND CARLOADINGS1935 - 1939 = 100INDUSTRIAL PRODUCTION - COMPOSITE

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945	234	236	235	230	225	220	210	186	167	162	168	163	203
1946	160	152	168	165	159	170	172	177	180	181	182	181	170
1947	188	188											

Above figures are adjusted for seasonal variation.

Source of data: Federal Reserve Board Index of Industrial Production as reproduced in Standard & Poor's Trade and Securities Statistics, page 7.

47a

INDEXES OF INDUSTRIAL PRODUCTION AND CARLOADINGS1935 - 1939 = 100CARLOADINGS

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945	144	139	145	141	141	140	139	128	127	118	133	127	135
1946	133	126	139	109	106	133	139	141	138	139	137	140	132

Above figures are adjusted for seasonal variation.

Source of data: Statistics computed by the Board of Governors of the Federal Reserve System from weekly data compiled by the Association of American Railroads, and published in the Federal Reserve Bulletin. The above data for the years 1920-40, inclusive, were taken from Federal Reserve Bulletin for June 1941 (pp. 530-533); and for subsequent months from various issues of the Federal Reserve Bulletin.



49a

WHOLESALE COMMODITY PRICE INDEXESALL COMMODITIES, FARM PRODUCTS, FOODS AND INDUSTRIAL PRODUCTS1926 = 100ALL COMMODITIES

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945	104.9	105.2	105.3	105.7	106.0	106.1	105.9	105.7	105.2	105.9	105.8	107.1	105.8
1946	107.1	107.7	108.9	110.2	111.0	112.9	124.7	129.1	124.0	134.1	139.7	140.9	120.9
1947	141.5	144.6											

Source of Data: Standard & Poor's Trade and Securities Statistics,  
pages 12 and 13.

50a

WHOLESALE COMMODITY PRICE INDEXESALL COMMODITIES, FARM PRODUCTS, FOODS AND INDUSTRIAL PRODUCTS1926 = 100FARM PRODUCTS

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945	126.2	127.0	127.2	129.0	129.9	130.4	129.0	126.9	124.3	127.3	131.1	131.5	128.2
1946	129.7	130.8	133.4	135.4	137.5	140.1	157.0	161.0	154.3	165.3	169.8	168.1	158.6
1947	165.0	170.4											

51a

WHOLESALE COMMODITY PRICE INDEXESALL COMMODITIES, FARM PRODUCTS, FOODS AND INDUSTRIAL PRODUCTS1926 = 100FOODS

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945	104.7	104.7	104.6	105.8	107.0	107.5	106.9	106.4	104.9	105.7	107.9	108.8	106.2
1946	107.3	107.8	109.4	110.8	111.5	112.9	140.2	149.0	131.9	157.9	165.4	160.1	130.4
1947	156.2	162.0											

Source of Data: Standard & Poor's Trade and Securities Statistics,  
pages 12 and 13.

52a

WHOLESALE COMMODITY PRICE INDEXESALL COMMODITIES, FARM PRODUCTS, FOODS AND INDUSTRIAL PRODUCTS1926 = 100INDUSTRIAL PRODUCTS

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Av.</u>
1945	99.1	99.2	99.2	99.3	99.4	99.6	99.7	99.9	99.8	100.1	100.2	100.5	99.7
1946	100.8	101.3	102.2	103.3	103.9	105.6	109.5	111.6	112.2	115.8	120.7	124.7	109.3
1947	127.6	128.6											

Source of Data: The Wholesale Commodity Price Indexes were computed by the United States Bureau of Labor Statistics and are contained in their publications. The Price Indexes are reproduced in Standard & Poor's Trade and Securities (Published by Standard & Poor's Corporation) Volume 3, Pages D-8 and D-9, dated April 29, 1938, and Current Statistics Section. The above figures were taken from Standard & Poor's Trade and Securities, page 12.

ESTIMATED LIQUID ASSET HOLDINGS OF BUSINESS AND INDIVIDUALS

1939 - 1946

(In Billions of Dollars)

	Dec. 1939	Dec. 1940	Dec. 1941	Dec. 1942	Dec. 1943	Dec. 1944	Dec. 1945	June 1946
Financial Corporations (3)							\$ 4.8	\$ 4.9
Non-Financial Corporations							41.3	39.4
Unincorporated Business							<u>27.8</u>	<u>27.2</u>
Total Business Holdings							<u>73.9</u>	<u>70.5</u>
Trust Funds (4)							16.5	17.0
Other Personal Holdings							<u>130.8</u>	<u>135.0</u>
Total Personal Holdings							<u>147.3</u>	<u>152.0</u>
Grand Total (1)							<u>221.2</u>	<u>222.5</u>
Made up as Follows:								
Currency							25.5	25.6
Demand Deposits (2)							60.3	62.9
Time Deposits							47.7	50.9
U.S. Gov't. Securities							<u>37.7</u>	<u>33.1</u>
Grand Total (1)							<u>221.2</u>	<u>222.5</u>

- (1) Figures for banks, insurance companies, building and loan associations, nonprofit associations, and governmental bodies and agencies are not included in the totals shown.
- (2) These figures are estimates of demand deposit balances as they would appear on the records of depositors. They differ from figures based on bank records such as given in regular banking statistics or in the Federal Reserve Survey of Ownership of Demand Deposits presented elsewhere in the Federal Reserve Bulletin. Depositor-record estimates are lower than bank-record estimates; for example, total demand deposits as of June 30, 1946, on a holder-record basis amount to 62.9 billion dollars while on a bank-record basis these deposits amount to 72.8 billion. This is because checks are constantly in the mail, i.e., deducted on payor's records and not yet added on payee's records, and because checks are constantly in the process of collection, i.e., added to payee's deposits as per bank records and not yet deducted from payor's deposits as per bank records.
- (3) Includes real estate companies, finance and credit companies, insurance agencies (not carriers), investment trusts, security brokers and dealers, holding companies not otherwise classified, etc.
- (4) Includes only amounts administered by corporate trustees.

Source: Federal Reserve Bulletin, November 1946.



FEDERAL POWER COMMISSION  
DOCKET NO. IT-5915  
PENNSYLVANIA WATER & POWER COMPANY

COST ALLOCATION

Nature of Study

This is a cost allocation based on data for the year 1946. The same principles employed in the allocation based on the data and costs for the year 1944 are employed.

Sources of Data

In this allocation, as in the 1944 allocation, the basic figures used for investment, rate base, fixed costs and operating costs were obtained from the commission Staff's accounting examiners. The engineering and operating data are from reports by Holtwood Company to the Commission. Additional information was furnished by Holtwood Company at the request of the staff.

Explanation of Study

This allocation, based on 1946 data and costs, involves the same six principle steps as did the allocation based on 1944 data and costs. The results are shown in the attached Tables I to VI as more fully explained herein.

(1) Table I

In this table, plant in service is classified according to items assigned directly to individual customers and items of jointly used facilities assigned to the pool for later allocation to all customers on the basis of use.

In this 1946 study, the assignment of facilities used for interchange service is made to Baltimore to accord with the assignment of the net revenue from such service. The Manor Switching Station is assigned 1/3 to the pool and 2/3 to Baltimore to accord with the assignment of the 220 kv lines.

(2) Table II

This table shows the derivation of the rate base, using the results of Table

Cost Allocation(3) Table III

Table III shows the assignment of operating expense incurred in connection with the property items allocated in Table I to individual customers and the pool.

(4) Table IV

In this table, the total costs are assembled in conformity with the allocations in the preceding tables, Tables I to III.

(5) Table V

In this table, the costs of the jointly used property are classified into fixed and variable groups and finally into capacity and energy components. From the totals of the capacity and energy components, unit capacity and energy costs are developed. These unit costs are to be applied respectively to all of the capacity and energy supplied by Holtwood Company from its own resources.

The total cost of hydro production is classified at 75 percent to the capacity component and 25 percent to the energy component. The method of deriving these percentages for the 1946 study is the same as that used on the 1944 study.

(6) Table V-A

Table V-A is an analysis of Holtwood Company's generating capacity for 1946, made in a similar manner to that for 1944. The basic figure for load carrying capability of the hydro plants, based on minimum river flow and the actual loads during the peak week of 1946, is computed to be 167,000 kilowatts with weekly recovery of pondage. To this is added a total amount of 83,000 kilowatts, representing the estimated additional capacity value of the hydro plants, which it would appear reasonable for a company carrying the responsibility for maintaining continuous service to depend on as a reduction of its steam capacity requirements.

In estimating this additional capacity value, consideration has been given to its use for scheduled maintenance and to the use of Safe Harbor pondage for both sustained load and short period emergencies. To the total hydro capacity thus determined

Page 3

Cost Allocation

is added the short time peak capacity of the Holtwood steam plant of 28,000 kilowatts giving a total dependable capacity of 278,000 kilowatts. After deduction for losses and station use, adjusted to the 278,000 kilowatt load, the net dependable capacity becomes 256,000 kilowatts.

The total dependable hydro capacity as determined in this 1946 study is divided between Holtwood and Safe Harbor on the same basis as it was divided in the 1944 study.

The determination of the balance of dependable capacity available for Baltimore in 1946 by the same method as was used in the 1944 study results in a deficit of 3,200 kilowatts to be supplied either by backfeed from Baltimore or from Baltimore's portion of Safe Harbor capacity.

(7) Table V-B

Table V-B is an analysis of the energy at Holtwood's disposal, both from its own resources and that supplied by Baltimore through backfeed and by diversion from Safe Harbor. In column 4, the amounts available for sale in Pennsylvania from these two sources are shown and column 5 shows the percent of each to the total. From these two sources the total firm and interchange power sales in Pennsylvania are supplied. Based upon the proportion of the available supply which each source contributes, firm power sales of 489,835,000 kilowatt hours and net interchange sales of 125,801,000 kilowatt hours are supplied from Holtwood's resources and firm power sales of 256,451,000 kilowatt hours from energy supplied by Baltimore.

This 256,451,000 kilowatt hours is the supply from Baltimore for which no costs are included in the amounts which have been allocated. Its cost, therefore, at Baltimore's average production cost of 4.7 mills is added to the cost of serving the Pennsylvania firm loads and allocated to each customer on the basis of energy use.

The delivery to Baltimore at Highlandtown of 376,684,000 kilowatt hours, plus the net interchange sales of 125,801,000 kilowatt hours supplied from Holtwood's resources, or a total of 502,485,000 kilowatt hours is charged to Baltimore at Holtwood's

Cost Allocation

average energy cost.

(8) Table VI

In Table VI, the costs previously allocated are assembled for each customer and for Baltimore in the same manner as in the 1944 study. Baltimore is then credited with the energy supplied through backfeed from its steam generation and by diversion from its share of the Safe Harbor output at its average production cost of 4.7 mills. Baltimore is also credited with the dependable capacity which it must stand ready to supply at a rate of \$12.00 per kilowatt. This rate is not determined by any analysis of Baltimore's capacity cost or by any mathematical process, but is used as a reasonable component of the cost of supplying the firm power requirements in Pennsylvania.

The increase in the credit to Baltimore over that shown in Exhibit 64 is due in a small part to this credit for capacity, but mostly from the credit for energy delivered to Holtwood from Baltimore's portion of Safe Harbor.

This results in reducing the net cost of service supplied to Baltimore and correspondingly increases the amount of revenue in excess of allocated cost applicable to Baltimore.



TABLE I

## PLANT IN SERVICE - 1946

## HOLTWOOD AND SUSQUEHANNA AVERAGE PLANT ASSIGNED TO INDIVIDUAL CUSTOMERS AND THE POOL

	P.P.& L.Co.	P. E. Co.	M. E. Co.	P.R.R. Co.	Baltimore	Pool	Total Service
<u>Production Plant</u>							
1 Hydro	\$	\$	\$	\$	\$	\$15,899,063	\$15,899,063
2 Steam						4,611,716	4,611,716
3 Total Production Plant						\$20,510,779	\$20,510,779
<u>Transmission Plant</u>							
4 Holtwood - Highlandtown Line					1,371,025		1,371,025
5 Highlandtown Substation					973,878		973,878
6 Baltimore - Gunpowder Line					199,158		199,158
7 Safe Harbor - Westport Line (1/3 Pool, 2/3 Baltimore)					1,158,802	579,401	1,738,203
8 Safe Harbor - Riverside Line (1/3 Pool, 2/3 Baltimore)					1,015,958	507,979	1,523,937
9 Manor Switching Station (1/3 Pool, 2/3 Baltimore)					114,028	57,014	171,042
10 Ellicott City - Takoma Line (1/3 Pool, 2/3 Baltimore)					210,989	105,494	316,483
11 Ellicott City Switching Station (1/3 Pool, 2/3 Baltimore)					43,966	21,983	65,949
12 Safe Harbor Perryville Line (91% to Baltimore, 9% to R.R. in Pa.)				99,310	1,004,129		1,103,439
13 Fishing Creek Substation				3,162			3,162
14 Conestoga Substation (47% to Baltimore, 53% to R.R. in Pa.)				627,195	556,191		1,183,386
15 Perryville Switching Station (71% to Baltimore, 9% to R.R. in Pa.)				175	1,792		1,967
16 Violet Hill Substation (55% to M. E., 45% to Baltimore)			101,486		83,034		184,520
17 Holtwood - York Line (55% to M. E., 45% to Baltimore)			277,539		227,077		504,616
18 Holtwood - Coatesville Line		593,009					593,009
19 Newlinville Switching Station		9,959					9,959
20 Holtwood - Lancaster Line	17,025						17,025
21 Engleside Switching Station	7,051						7,051
22 Donegal Tap Switch and Substation	12,603						12,603
23 S. Manheim and S. Akron Switching Stations	3,121						3,121
24 Mt. Nebo Substation	774						774
25 Balance of Transmission System						1,473,544	1,473,544
26 Total Transmission Plant	\$40,574	\$602,968	\$379,025	\$729,842	\$6,960,007	\$2,745,415	\$11,457,830
27 Intangible Plant						173,070	173,070
28 General Plant						797,740	797,740
29 Total Plant in Service	\$40,574	\$602,968	\$379,025	\$729,842	\$6,960,007	\$24,227,004	\$32,939,420
30 Percent of Total	0.1	1.8	1.2	2.2	21.1	73.6	100.0

Table II

Development of Rate Base  
For  
Facilities Assigned to Individual Customers and The Pool

	<u>P.P. &amp; L. Co.</u>	<u>P. E. Co.</u>	<u>M.E. Co.</u> <del>Ed. L. &amp; P. Co.</del>	<u>P.R.R. Co.</u>	<u>Baltimore</u>	<u>Pool</u>	<u>Total Service</u>
	1	2	3	4	5	6	7
1 Total Plant in Service	\$40,574	\$602,968	\$379,025	\$729,842	\$6,960,007	\$24,227,004	\$32,939,420
2 Depreciation Reserve	<u>5,401</u>	<u>116,266</u>	<u>84,771</u>	<u>136,570</u>	<u>1,251,664</u>	<u>7,407,201</u>	<u>9,001,873</u>
3 Net Plant in Service	35,173	486,702	294,254	593,272	5,708,343	16,819,803	23,937,547
Working Capital							
4 Cash Working Capital		2,282	1,015	1,521	32,461	216,321	253,600
5 Materials & Supplies	<u>321</u>	<u>5,785</u>	<u>3,857</u>	<u>7,071</u>	<u>67,817</u>	<u>311,549</u>	<u>396,400</u>
6 Total Working Capital	321	8,067	4,872	8,592	100,278	527,870	650,000
7 Rate Base	<u>\$35,494</u>	<u>\$494,769</u>	<u>\$299,126</u>	<u>\$601,864</u>	<u>\$5,808,621</u>	<u>\$17,347,673</u>	<u>\$24,587,547</u>

Table III

HOLTWOOD AND SUSQUEHANNA OPERATING EXPENSE - 1946  
ITEMS ASSIGNED TO INDIVIDUAL CUSTOMERS AND THE POOL

	P.P. & L. Co.	P.E. Co.	M.E. Co.	P.R.R. Co.	Baltimore	Pool	Total Service
<u>Production Cost Exclusive of Purchased Power</u>							
1 Hydro	\$	\$	\$	\$	\$	\$ 269,145	\$ 269,145
2 Steam - Fuel and water						385,221	385,221
3 Steam - Boiler Plant & Coal Handling Equip. Mt.						55,328	55,328
4 Steam - Other Operating and Maintenance						243,018	243,018
5 Total Production Expenses						\$ 952,712	\$ 952,712
<u>Transmission</u>							
6 Highlandtown Substation					95,385		95,385
7 Holtwood, Highlandtown & Baltimore - Gunpowder Lines					51,320		51,320
8 Ellicott Switching Station (1/3 Pool, 2/3 Balt.)					541	270	811
9 Safe Harbor - Westport, S. H. - Riverside, and Ellicott - Washington Lines (1/3 Pool, 2/3 Balt.)					62,250	31,125	93,375
10 Conestoga Substation (47% Balt., 53% to R. R. in Pa.)				9,342	8,285		17,627
11 Safe Harbor - Perryville Line (91% Balt., 9% to R. R. in Pa.)				2,251	22,764		25,015
12 Holtwood - Coatesville Line		17,557					17,557
13 Violet Hill Substation (55% to ME, 45% to Balt.)			2,407		1,970		4,377
14 Holtwood - York Line			5,508		4,507		10,015
15 Manor Substation (1/3 Pool, 2/3 Balt.)					376	753	1,129
16 Balance of Transmission Expense	811					91,062	91,873
17 Total Transmission Expense	\$811	\$ 17,557	\$ 7,915	\$ 11,593	\$247,398	\$ 123,210	\$ 408,484
18 Administrative and General Expenses						571,429	571,429
19 Total Operating Expense Exclusive of Purchased Power	\$811	\$ 17,557	\$ 7,915	\$ 11,593	\$247,398	\$1,647,351	\$1,932,625
20 Percent of Total	-	0.9	0.4	0.6	12.8	85.3	100.0



TABLE III-A

RECONCILIATION OF OPERATING EXPENSE ALLOCATED IN TABLE III  
WITH EXPENSE REPORTED BY HOLTVOOD IN F.P.C. FORM 1

Operating Expense Reported for 1946		\$2,400,219
Net Revenue from Interchange Sales in Pennsylvania which are Reported as a Credit Expense		<u>1,127,599</u> <u>\$3,613,918</u>
Susquehanna Capital Stock and Property Taxes	\$ 66,585	
Susquehanna Depreciation Expense	<u>129,605</u>	
Items Included in Transmission Expense		<u>196,199</u> <u>\$3,417,728</u>
Less Safe Harbor Bill as Rendered		<u>1,016,501</u> <u>\$2,401,227</u>
Less Credit to Administrative and General Expense:		
Credit in Holtwood's Bill to Baltimore	\$ 15,293	
Regulatory Commission Expenses	<u>319,559</u>	
Less Credit Misc. Revenue	<u>133,750</u>	
		<u>468,502</u>
Balance of Operating Expense Allocated in Table III		<u>\$1,932,225</u>



Table IV

## ASSEMBLY OF TOTAL COSTS ASSIGNED DIRECTLY TO CUSTOMERS AND THE POOL

	<u>P.P. &amp; L. Co.</u> 1	<u>P.E. Co.</u> 2	<u>Ed. Lt. &amp; Pr. Co.</u> 3	<u>P.R.R. Co.</u> 4	<u>Baltimore</u> 5	<u>Pool</u> 6	<u>Total Service</u> 7
1 Operating Expense	\$ 811	\$17,557	\$ 7,915	\$11,593	\$247,398	\$1,647,351	\$1,932,625
2 Bill for Safe Harbor				24,581	21,798	1,007,185	1,053,564
3 Taxes	7,427	10,244	6,900	13,846	133,584	302,186	474,187
4 Depreciation Expense	766	6,704	4,744	13,925	79,329	362,406	467,874
5 Return 5 Percent	1,775	24,738	14,956	30,093	290,431	867,384	1,229,377
6 Total Cost	\$10,779	\$59,243	\$34,515	\$94,038	\$772,540	\$4,186,512	\$5,157,627

Table V

**ALLOCATION OF POOL COSTS TO CAPACITY AND ENERGY COMPONENTS AND  
DEVELOPMENT OF UNIT COSTS PER KILOWATT AND PER KILOWATT-HOUR**

	Production Facilities			Transmission Facilities	Total Jointly Used Plant
	Hydro 1	Variable 2	Fixed 3		
1 Production Plant	\$15,899,063	\$	\$4,611,716	\$	\$20,510,779
2 Transmission System				2,745,415	2,745,415
3 Total Jointly Used Plant Directly Classified	15,899,063		4,611,716	2,745,415	23,256,194
4 Percent Total	68.4		19.8	11.8	100.0
5 Intangible and General Plant Allocated	664,034		192,220	114,556	970,810
6 Total Jointly Used Plant in Service	16,563,097		4,803,936	2,859,971	24,227,004
7 Depreciation Reserve	4,887,434		1,707,542	812,225	7,407,201
8 Net Investment	11,675,663		3,096,394	2,047,745	16,819,803
9 Working Capital					
10 Material and Supplies	162,224		121,339	27,986	311,549
11 Cash	54,080		137,364	24,877	216,321
12 Total Working Capital	216,304		258,703	52,863	527,870
13 Rate Base	\$11,891,967	\$	\$3,355,097	\$2,100,609	\$17,347,673
<u>Total Cost of Service</u>					
14 Operating Expense Excluding Purchased Power	\$ 412,002	\$ 674,264	\$ 372,161	\$ 188,924	\$ 1,647,351
15 Taxes					
16 Property and Capital Stock and Income (Plant Ratio)	190,907		55,262	32,934	279,103
17 Retirement and Unemployment and Misc. (Operating Ratio)	5,771	9,441	5,217	2,654	23,083
18 Depreciation Expense	197,868		116,457	48,081	362,406
19 Return - 5% of Rate Base	594,598		167,755	105,031	867,384
20 Purchased Power	1,007,185				1,007,185
21 Total Pool Cost	\$ 2,408,331	\$ 683,705	\$ 716,852	\$ 377,624	\$ 4,186,512
<u>Classification to Demand and Energy Components</u>					
		Total	Capacity	Energy	
22 Total Hydro Power Cost, 74.85% Capacity		\$2,408,331	\$1,802,636	\$ 605,695	
23 Variable Steam Costs		683,705		683,705	
24 Fixed Steam Cost		716,852	716,852		
25 Transmission Cost		377,624	377,624		
26 Total Cost		\$4,186,512	\$2,897,112	\$1,289,400	
27 Unit Cost (154,000 Kw Capacity) (992,320 Kwh Energy)			\$18.81/Kw	1.30 Mills/Kwh	



TABLE V-A

DEPENDABLE CAPACITY AVAILABLE TO BALTIMORE  
1946

	Steam 1	Holtwood Hydro 2	Safe Harbor 3	Total Hydro 4	Total Hydro and Steam 5
1 Installed Capacity	26,000 kw	104,000 kw	230,000 kw	334,000 kw	360,000 kw
2 Holtwood and Safe Harbor - % of total hydro		31.14	68.86	100.00	
3 Dependable Capacity on weekly recovery cycle under Min. flow & peak load conditions				167,000 kw	
4 Additional Capacity value for maintenance, short period loads, from use of pendance, etc.				83,000 kw	
5 Total Dependable Capacity allocated on basis of installed capacity	28,000 kw	77,844 kw	172,156 kw	250,000 kw	278,000 kw
6 Percent of Total Capacity	10.1	28.0	61.9	89.9	100.0
7 Hydro Dependable Capacity in Percent of Total Installed Hydro Capacity				74.85	
8 Reported Station Use and Transmission Loss Prorated to Dependable Capacity	2,216 kw	6,160 kw	13,624 kw	19,784 kw	22,000 kw
9 Net Dependable Capacity available for Load	25,784 kw	71,684 kw	158,532 kw	230,216 kw	256,000 kw

Demands of Pennsylvania Customers on System Peak

	Firm Loads	Firm Loads Plus 10% Reserve
10 P.P. & L. Co.	55,000 kw	60,500 kw
11 P.E. Co.	27,000 kw	29,700 kw
12 M.E. Co.	21,000 kw	23,100 kw
13 Total wholesale	103,000 kw	113,300 kw
14 P.R.R. Co. Dec. Billing demand allocated to Pa.	36,557 kw	40,212 kw
15 Total	139,557 kw	153,512 kw
16 Balance available to Baltimore from Holtwood and Safe Harbor		
17 Less Baltimore's two-thirds share of Safe Harbor		
18 Balance available to Baltimore from Holtwood		

153,512 kw  
102,488 kw  
105,688 kw  
( 3,200 ) kw

TABLE V-B

SYSTEM LOAD DATA - 1000<sup>3</sup> KWH - 1946

## ENERGY AVAILABLE FROM HOLTWOOD RESOURCES PLUS BACKFEED AND DIVERSION SUPPLIED BY BALTIMORE

	Holtwood Resources			Available for Firm & Intg. Sale in Pa.		Energy Sales in Pennsylvania					Delivery to Baltimore & Interchange	Baltimore Energy for Firm Power in Pa.
	Steam	Hydro	Total	Amount	%	Total	From Holtwood Resources	From Baltimore Supply			From Holtwood Resources	
	(1)	(2)	(3)	(4)	(5)	(6)	%	Amount	%	Amount	(11)	(12)
1 Net Generation	166,112	592,689	758,801									
2 Holtwood entitlement from Safe Harbor			292,323									
3 Total Holtwood resources			1,051,124									
4 Transmission loss - 66 Kv lines			58,804									
5 Net delivery			992,320									
6 Delivery to Baltimore at Highlandtown			376,684								376,684	
7 Balance of Holtwood Resources				615,636	65.6%							
Supply by Baltimore												
8 Backfeed on 220 Kv lines		157,951										
9 Backfeed on Highlandtown line		1,676										
10 Diversion from Balt's 2/3 of Safe Harbor		162,677										
11 Total supply by Baltimore				322,314	34.4%							
12 Total available supply for firm and interchange sales in Pa.				937,950	100.0%							
13 Total firm load requirements in Pa.						746,286	65.6%	489,835	34.4%	256,451		256,451
14 Net interchange sales in Pa.						191,664	65.6%	125,801	34.4%	65,863	125,801	
15 Totals						937,950		615,636		322,314	502,485	256,451



TABLE V-C  
OPERATING EXPENSE  
OPERATION AND MAINTENANCE OF JOINTLY USED FACILITIES

	<u>Production</u>		<u>Steam</u>	<u>Transmission</u>	<u>Total</u>
	<u>Hydro</u> 1	<u>Fixed</u> 2	<u>Variable</u> 3		
1. Total Hydro	\$269,145				\$ 269,145
<u>STEAM</u>					
2. Fuel and Water			\$385,221		385,221
3. Boiler and Coal Equip. Mt.			55,328		55,328
4. Other Steam		\$243,018			243,018
5. Transmission				\$123,210	123,210
6. Subtotal	\$269,145	\$243,018	\$440,549	\$123,210	\$1,075,922
7. Percent Total	25.0	22.6	40.9	11.5	100.0
8. Administrative and General	\$142,857	\$129,143	\$233,715	\$ 65,714	\$ 571,429
9. Total	\$412,002	\$372,161	\$674,264	\$188,924	\$1,647,351

Table VI

APPLICATION OF UNIT COSTS TO CUSTOMER'S MEASURED LOADS  
 ASSEMBLY OF CAPACITY, ENERGY AND SPECIAL FACILITY COSTS FOR EACH CUSTOMER  
 COMPARISON OF TOTAL COST OF SERVICE WITH REVENUES COLLECTED

	Noncoincident Maximum Demands - kw	Firm Energy Sales 1000 kwh	Capacity Cost	Firm Energy <sup>1/</sup> Cost	Special Facility Cost	Capacity Supply from Baltimore	Total Cost	Total Revenue	Excess Revenue Amount	Excess Revenue %
	1	2	3	4	5	6	7	8	9	10
1 P.P. & L. Co.	67,000	308,569	\$1,260,432	\$ 761,536	\$ 10,779	\$16,707	\$2,049,454	\$1,958,356	\$ (91,098)	(4.00)
2 P.E. Co.	26,000	135,629	\$ 489,123	\$ 334,726	\$ 59,243	\$ 6,483	889,575	948,861	59,286	2.60
3 M.E. Co.	23,000	88,606	\$ 432,685	\$ 218,675	\$ 34,515	\$ 5,735	691,610	667,455	(24,155)	(1.06)
4 P.R.R. in Pa.	38,000	213,482	\$ 714,872	\$ 526,864	\$ 94,038	\$ 9,475	1,345,249	1,483,798	138,549	6.09
5 Baltimore	-	-	-	(\$ 552,401) <sup>3/</sup>	\$772,540	(\$38,400) <sup>2/</sup>	181,739	2,374,428	2,192,689	96.37
6 Total	154,000	746,286	\$2,897,112	\$1,289,400	\$971,115	0	\$5,157,627	\$7,432,898	\$2,275,271	100.00

<sup>1/</sup> Firm energy supplied: 65.6% from Holtwood resources at a cost of  
 34.4% from Diversion and Backfeed at a cost of  
 Cost of firm energy computed at the weighted average cost of

1.3 mills  
 4.7 mills  
 2.47 mills

<sup>2/</sup> Capacity supply 3,200 kw at \$12.00 per kw - 38,400

<sup>3/</sup> Delivery to Baltimore and interchange sales from Holtwood resources  
 Baltimore supply for firm power sales in Pennsylvania  
 Net credit to Baltimore.

502,485,000 kwh at 1.3 mills \$ 652,919  
 256,451,000 kwh at 4.7 mills \$1,205,320  
 \$ 552,401

TABLE VI-A

RECONCILIATION OF REVENUE SHOWN IN TABLE VI WITH REPORTED  
REVENUE FROM BALTIMORE AND PENNSYLVANIA RAILROAD IN PENNSYLVANIA

	<u>Baltimore</u>	<u>FRR in Penna.</u>
Revenue as reported	\$1,104,952	\$1,625,575
Revenue from net interchange in Pa.	1,127,699	
Adjustment of revenues received for special facilities from FRR in accordance with allocation of costs of special facilities	<u>141,777</u>	<u>(141,777)</u>
	\$2,374,428	\$1,483,798

ALLOCATION



Table I

PLANT IN SERVICE 1944  
HOLTWOOD AND SUSQUEHANNA AVERAGE PLANT ASSIGNED TO INDIVIDUAL CUSTOMERS AND THE POOL

	P.P. & L. Co.	P.E. Co.	Ed. Lt. / Pr. Co.	P.R.R. Co.	Baltimore	Pool	Total Service
	1	2	3	4	5	6	7
<b>Plant in Service</b>							
<b>Production Plant</b>							
1 Hydro						\$15,847,486	\$15,847,486
2 Steam						4,527,533	4,527,533
3 Total Production Plant						20,375,019	\$20,375,019
<b>Transmission Plant</b>							
4 Holtwood Highlandtown Line					1,371,281		1,371,281
5 Highlandtown Substation					971,877		971,877
6 Baltimore-Gunpowder Line					171,357		171,357
7 Safe Harbor-Westport Line (1/3 Pool, 2/3 Baltimore)					1,158,300	579,150	1,737,450
8 Safe Harbor - Riverside Line					1,012,710	506,355	1,519,065
9 Manor Switching Station					114,166	57,083	171,249
10 Ellicott City - Takoma Line					210,772	105,385	316,157
11 Ellicott City Switching Station					43,590	21,794	65,384
12 Safe Harbor Perryville Line (91% Balt., 9% R.R. in Pa.)				99,479	1,005,843		1,105,322
13 Conestoga Substation (45.1% Balt., 54.9% R.R. in Pa.)				647,933	532,272		1,180,205
14 Perryville Switching Station (91% Balt., 9% R.R. in Pa.)				66	662		728
15 Violet Hill Substation			393,418				393,418
16 Holtwood-York Line (29% Ed. Lt. Pr. Co., 71% Balt.)			146,426		358,482		504,918
17 Holtwood-Coatsville Line		586,725					586,725
18 Newlinville Switching Station		9,959					9,959
19 Holtwood-Lancaster Line	17,025						17,025
20 Engleside Switching Station	6,635						6,635
21 Donegal Tap Switching and Substation	12,609						12,609
22 S. Manheim and S. Akron Switching Sta.	3,149						3,149
23 Balance of Transmission System						1,388,841	1,388,841
24 Total Transmission Plant	39,418	596,684	539,844	747,478	6,951,322	2,658,608	11,533,354
25 Intangible Plant						173,070	173,070
26 General Plant						779,707	779,707
27 Total Plant in Service	\$39,418	\$596,684	\$539,844	\$747,478	\$6,951,322	\$23,986,104	\$32,861,150
28 Percent of Total	0.1	1.8	1.6	2.3	21.2	73.0	100.0

TABLE II

DEVELOPMENT OF RATE BASE 1944  
FOR  
FACILITIES ASSIGNED TO INDIVIDUAL CUSTOMERS AND THE POOL

	P.P. & L. Co. <u>1</u>	P.E. Co. <u>2</u>	Ed. Lt. & Pr. Co. <u>3</u>	P.R.R. Co. <u>4</u>	Baltimore <u>5</u>	Pool <u>6</u>	Total Service <u>7</u>
1 Total Plant in Service	\$ 39,418	\$596,684	\$539,844	\$747,478	\$6,951,322	\$23,986,401	\$32,861,150
2 Depreciation Reserve	<u>4,375</u>	<u>106,365</u>	<u>136,034</u>	<u>119,781</u>	<u>1,146,512</u>	<u>6,465,051</u>	<u>7,978,118</u>
3 Net Plant in Service	\$ 35,043	\$490,319	\$403,810	\$627,697	\$5,804,810	\$17,521,353	\$24,883,032
Working Capital							
4 Cash Working Capital	-	2,016	4,480	1,344	26,880	189,280	224,000
5 Material and Supplies	<u>290</u>	<u>5,223</u>	<u>4,643</u>	<u>6,675</u>	<u>61,521</u>	<u>287,648</u>	<u>366,000</u>
6 Total Working Capital	\$ <u>290</u>	\$ <u>7,239</u>	\$ <u>9,123</u>	\$ <u>8,019</u>	\$ <u>88,401</u>	\$ <u>476,928</u>	\$ <u>590,000</u>
7 Rate Base	\$ 35,333	\$497,558	\$412,933	\$635,716	\$5,893,211	\$17,998,281	\$25,473,032

TABLE III

HOLTHOOD AND SUSQUEHANNA OPERATING EXPENSE - 1914  
 ITEMS ASSIGNED TO INDIVIDUAL CUSTOMERS AND THE POOL

	Holtwood and Susquehanna	P.P. & L. Co. 1	P.E. Co. 2	Ed. Lt. & Pr. Co. 3	P.R.R. Co. 4	Baltimore 5	Pool 6	Total Service 7
<u>Production Cost Exclusive Of Purchased Power</u>								
1	Hydro						\$ 224,230	\$ 224,230
2	Steam - Fuel And Water						332,035	332,035
3	Steam - Boiler Plant and Coal Handling Equipment Mt.						53,152	53,152
4	Steam - Other Operating and Maintenance						201,310	201,310
5	Total Production Expenses						\$ 810,727	\$ 810,727
<u>Transmission</u>								
6	Highlandtown Substation					\$ 78,661		\$ 78,661
7	Manor Substation (2/3 Baltimore, 1/3 Pool)					516	\$ 258	774
8	Holtwood-Highlandtown and Baltimore-Gunpowder Lines					41,474		41,474
9	Ellicott Switching Station (2/3 Baltimore, 1/3 Pool)					739	369	1,108
10	Safe Harbor - Westport, Safe Harbor - Riverside and Ellicott-Washington Lines (2/3 Baltimore, 1/3 Pool)					19,633	24,817	74,450
11	Conestoga Substation (15.1% Baltimore, 54.9% to R.R. in Pa.)				\$7,629	6,267		13,896
12	Safe Harbor - Perryville Line (91% Baltimore, 9% R.R. in Pa.)				1,537	15,537		17,074
13	Holtwood-Coatesville Line		\$15,012					15,012
14	Violet Hill Substation			30,195				30,195
15	Holtwood-York Line (29% to Ed. Lt. Pr. Co., 71% to Baltimore)			\$2,518		6,164		8,682
16	Balance of Transmission Expense	\$788					72,392	73,180
17	Total Transmission Expense	\$788	\$15,012	\$32,713	\$9,166	\$198,991	\$ 97,836	\$ 354,506
18	Administrative And General Expense						190,891	190,891
19	Total Operating Expense Exclusive of Purchased Power	\$788	\$15,012	\$32,713	\$9,166	\$198,991	\$1,399,154	\$1,656,124
20	Percent of Total	-	0.9	2.0	0.6	12.0	84.5	100.0



Table III - a

RECONCILIATION OF OPERATING EXPENSE ALLOCATED IN TABLE III  
WITH EXPENSE REPORTED BY HOLTWOOD IN F.P.C. FORM 1

Operating Expense, 1944, as reported		\$2,579,099
Revenue from Interchange Sales in Pennsylvania <sup>1/</sup>		<u>628,867</u>
		\$3,207,966
Susquehanna Capital Stock and Property Taxes	\$ 65,060	
Susquehanna Depreciation	<u>128,776</u>	
		<u>193,836<sup>2/</sup></u>
Less Safe Harbor Bill as rendered		\$3,014,130
		<u>1,214,553</u>
Less Adjustment Credit to Admin. and Gen. Exp.		1,799,577
Less Credit Misc. Revenue		9,703
		<u>138,750</u>
Balance of Operating Exp. Allocated on Table III		\$1,656,124

<sup>1/</sup> Revenue from interchange sales to customers in Pennsylvania is shown in the company's report as a credit to Operating Expenses. In this study the amount of these sales has been transferred to Revenue.

<sup>2/</sup> Operating Expenses as reported contain the total costs of Susquehanna Transmission Company of Maryland, which include Taxes and Depreciation. These are taken out for separate handling and are combined with Taxes and Depreciation of Holtwood.



TABLE IV

## ASSEMBLY OF TOTAL COSTS ASSIGNED DIRECTLY TO CUSTOMERS AND THE POOL

	<u>P.P. &amp; L. Co.</u> <u>1</u>	<u>P.E. Co.</u> <u>2</u>	<u>Ed. Lt. &amp; Pr. Co.</u> <u>3</u>	<u>P. R. R. Co.</u> <u>4</u>	<u>Baltimore</u> <u>5</u>	<u>Pool</u> <u>6</u>	<u>Total Service</u> <u>7</u>
1 Operating Expense	\$ 788	\$15,012	\$32,713	\$ 9,166	\$198,991	\$1,399,454	\$1,656,124
2 Bill for Safe Harbor Power				25,748	21,152	945,635	992,535
3 Taxes	7,915	11,425	8,838	14,958	147,083	346,745	536,964
4 Depreciation Expense	723	6,548	9,385	14,315	78,482	354,759	464,212
5 Return 5 Percent	1,767	24,878	20,647	31,786	294,660	899,914	1,273,652
6 Total Cost	<u>\$11,193</u>	<u>\$57,863</u>	<u>\$71,583</u>	<u>\$95,973</u>	<u>\$740,368</u>	<u>\$3,946,507</u>	<u>\$4,923,487</u>

Table V

ALLOCATION OF POOL COSTS TO CAPACITY AND ENERGY COMPONENTS AND  
DEVELOPMENT OF UNIT COSTS PER KILOWATT AND PER KILOWATT-HOUR

	Production Facilities			Transmission Facilities	Total Jointly Used Plant
	Hydro	Variable	Fixed		
	1	2	3	4	5
1. Production Plant	\$15,847,486		\$4,527,533		\$20,375,019
2. Transmission System				\$2,658,608	2,658,608
3. Total Jointly Used Plant Directly Classified	15,847,486		4,527,533	2,658,608	23,033,627
4. Percent of Total	88.80		19.66	11.54	100.00
5. Intangible and General Allocated	655,511		187,316	109,960	952,777
6. Total Jointly Used Plant in Service	16,502,997		4,714,849	2,768,568	23,986,404
7. Depreciation Reserve	4,385,808		1,490,064	689,179	6,465,051
8. Net Investment	12,117,189		3,224,785	2,179,379	17,521,353
<u>Working Capital</u>					
9. Cash	46,714		122,180	20,386	189,280
10. Materials and Supplies	146,087		117,057	24,504	287,648
11. Total	192,801		239,237	44,890	476,928
12. Rate Base	\$12,309,990		\$3,464,022	\$2,224,269	\$17,998,281
<u>Total Cost of Service</u>					
13. Operating Expense excluding Purchased Power Taxes	\$ 345,382	\$ 593,276	\$ 310,091	\$ 150,705	\$ 1,399,454
14. Property, Capital Stock and Income (Plant Ratio)	224,659		64,197	37,683	326,539
15. Retirement, Unemployment and Misc. (Operating Ratio)	4,987	8,565	4,478	2,176	20,206
16. Depreciation Expense	197,406		114,467	42,887	354,759
17. Return - 5% of Rate Base	615,500		173,201	111,213	899,914
18. Purchased Power	945,635				945,635
19. Total Pool Cost	\$ 2,333,568	\$ 601,841	\$ 666,434	\$ 344,664	\$ 3,946,507
<u>Classification to Demand and Energy Components</u>					
20. Total Hydro Power Cost, 67.5% Capacity	\$2,333,568	\$1,575,158	\$ 758,410		
21. Variable Steam Costs		601,841		601,841	
22. Fixed Steam Costs		666,434	666,434		
23. Transmission Cost		344,664	344,664		
24. Total Cost	\$3,946,507	\$2,588,256	\$1,360,251		
25. Unit Costs (146,469 kw) (988,818,000 kwh)		\$17.66 per kw	1.38 mills/ kwh		



Table V-A

BALANCE OF DEPENDABLE CAPACITY AVAILABLE FOR BALTIMORE CO.  
INCLUDING ONE-HALF OF ADDITIONAL CAPACITY FROM S.H. PONDAGE

				Holtwood	Safe	Total	Total
				Steam	Hydro	Harbor	Hydro and
				(1)	(2)	(3)	Steam
							(5)
1	Installed Capacity			26,000 kw	104,000 kw	230,000 kw	360,000 kw
2	Holtwood and Safe Harbor - % of total hydro				31.14	68.86	100.0
3							
4	Dependable Capacity on regular weekly cycle of draw and refill						197,000 kw
5	Plus one-half of additional capacity from use of S.H. pondage						28,500 kw
6	Total dependable capacity allocated on basis of installed capacity			26,000 kw	70,221 kw	155,279 kw	225,500 kw
7	Percent of total			10.3	27.9	61.8	89.7
8	Percent of Installed Capacity			100.0			67.5%
9							
10	Reported station use and trans. loss allocated to dependable capacity			1,854 kw	5,022 kw	11,124 kw	16,146 kw
11							18,000 kw
12	Net Dependable Capacity available for load			24,146 kw	65,199 kw	144,155 kw	233,500 kw
13							
14	<u>Demands of Pa. Customers on System Peak Form 12 - Pool</u>						
15			Firm Loads Plus				
16	P.P. & L. Co.	Non Firm	Firm				
17	P.E. Co.	2,000 kw	52,000 kw				
18	Ed. L. & P. Co.	10,000 kw	23,000 kw				
19	M.E. Co.	12,000 kw	9,000 kw				
20	Total for Resale	24,000 kw	84,000 kw				92,400 kw
21	Balance for Baltimore						
22	and P.R.R.						141,100 kw
23	P.R.R. Co. in Pa. Dec. billing		28,397 kw		31,237 kw		31,237 kw
24	Total		112,397 kw		123,637 kw		
25	Balance available for Baltimore from Holtwood and Safe Harbor						109,863 kw
26							
27	Less Baltimore's two-third share of S.H.						96,103 kw
28							
29	Balance available for Baltimore from Holtwood Co.						13,760 kw
30	Peak Load To Be Carried by Dependable Capacity with 10% Reserve						12,509 kw



TABLE V-B

SYSTEM LOAD DATA - 1000 KWH 1944

ENERGY AVAILABLE FROM HOLTWOOD RESOURCES PLUS BACKFEED  
AND DIVERSION SUPPLIED BY BALTIMORE

	Holtwood Resources			Available For Firm and Interchange Sales in Pa.		Energy Sales in Pa.				Delivery to Balto. and Interchange From Hd. Resources	Baltimore Energy For Firm Power in Pa.	
	Steam	Hydro	Total	Amount	%	Total	From Holtwood Resources	From Baltimore Supply				
	1	2	3	4	5	6	7	8	9	10	11	12
1 Net Generation	171,091	512,765	683,856									
2 Holtwood Entitlement from Safe Harbor			257,341									
3 Total Holtwood Resources			941,197									
4 Transmission losses			76,601									
5 Net Delivery			864,596									
6 Delivery to Baltimore at Highlandtown			321,761								321,761	
7 Balance of Holtwood Resources				562,875	65.67							
8 Backfeed on 220 Kv lines	201,073											
9 Backfeed on Highlandtown Line	553											
10 Diversion from Balto. 2/3 Safe Harbor	92,662											
11 Total Supply by Baltimore				294,292	34.33							
12 Total Available Supply for Firm and Interchange sales in Pa.				857,167	100.00							
13 Total Firm load Requirements in Pa.						736,567	65.67	483,681	34.33	252,886		252,886
14 Net Interchange Sales in Pa.						120,600	65.67	79,194	34.33	42,406	79,194	
15 Additional energy available to Baltimore from Holtwood in average year											104,182	
16 Totals				857,167		857,167	562,875	294,292		505,137		252,886



TABLE V - c

## OPERATING EXPENSE - 1944

## OPERATION AND MAINTENANCE OF JOINTLY USED FACILITIES.

	PRODUCTION				Total 5
	Hydro 1	Fixed 2	Variable 3	Trans- mission 4	
1. Total Hydro	\$224,230				\$ 224,230
2. Fuel & Water			\$332,035		332,035
3. Boiler & Coal Equip. Maint.			53,152		53,152
4. Other Steam		\$201,310			201,310
5. Transmission				97,836	97,836
6. Subtotal	\$224,230	\$201,310	\$385,187	97,836	\$ 908,563
7. Percent total	24.68	22.16	42.39	10.77	100.00
8. Adminis. and Gen. Exp.	121,152	108,781	208,089	52,869	490,891
9. Total	\$345,382	\$310,091	\$593,276	\$150,705	\$1,399,454



TABLE VI

APPLICATION OF UNIT COSTS TO CUSTOMERS' MEASURED LOADS  
 ASSEMBLY OF CAPACITY, ENERGY AND SPECIAL FACILITY COSTS FOR EACH CUSTOMER  
 COMPARISON OF TOTAL COSTS OF SERVICE WITH REVENUE COLLECTED

	Noncoincident Maximum Demands - Kw 1	Firm Energy Sales 1,000 - Kwh 2	Capacity Cost 3	Firm Energy Cost 4	Special Facility Costs 5	Total Costs 6	Total Revenue 7	Excess Revenue Amount 8	Excess Revenue % 9
1 P.P. & L. Co.	66,000	345,329	\$1,165,386	\$ 817,023	\$ 11,193	\$1,993,602	\$2,176,256	\$ 182,654	6.7
2 P.E. Co.	24,500	152,292	432,605	360,311	57,863	850,779	986,360	135,581	5.0
3 Ed.Lt. & Pr. Co.	9,560	44,864	168,804	106,145	71,583	346,932	368,904	22,372	0.8
4 R.R. Co. in Pennsylvania	33,900	194,082	598,585	459,184	95,973	1,153,742	1,340,467	186,725	6.9
5 Baltimore	<u>12,509</u>		<u>220,876</u>	<u>(382,412)<sup>2/</sup></u>	<u>740,368</u>	<u>578,832</u>	<u>2,771,763</u>	<u>2,192,931</u>	<u>80.6</u>
6 Total	146,469	736,567	\$2,586,256	\$1,360,251	\$976,980	\$4,923,487	\$7,643,750	\$2,720,263	100.0

1/ Firm Energy Supplied: 65.7% From Holtwood Resources At A Cost Of 1.4 Mills  
 34.3% From Diversion And Backfeed At A Cost Of 4.3 Mills  
 Cost Of Firm Energy Computed At The Weighted Average Cost Of 2.37 Mills

2/ Delivery To Baltimore And Interchange Sales From Holtwood Resources 505,137 Kwh @ 1.4 Mills \$ 694,882  
 Baltimore Supply For Firm Power Sales in Pennsylvania 252,886 Kwh @ 4.3 Mills \$1,077,294  
 Net Credit To Baltimore \$ 382,412

[24713]

Exhibit No. 422

4393

TABLE VI - A

RECONCILIATION OF REVENUE SHOWN IN TABLE VI  
WITH REPORTED REVENUE FROM BALTIMORE AND P.R.R. CO.

	<u>Baltimore</u>	<u>PRR in Pa.</u>
Revenue as Reported	\$2,027,849	\$1,455,514
Revenue from Net Interchange in Pa.	628,867	
Adjustment of Revenue Received for Special Facilities from PRR in Accordance with Allocation of Costs of Special Facilities	<u>115,047</u>	<u>(115,047)</u>
TOTAL	\$2,771,763	\$1,340,467



February 14, 1946

PENNSYLVANIA WATER AND POWER COMPANY MONTHLY REVENUES AND PAYMENTS FOR INTERCHANGE POWER OVER NORTHERN TIES

	Metropolitan Edison Company				Philadelphia Electric Company*				Pennsylvania Power & Light Company**			
	Purchases		Sales		Purchases		Sales		Purchases		Sales	
	Kwh.	Dollars	Kwh.	Dollars	Kwh.	Dollars	Kwh.	Dollars	Kwh.	Dollars	Kwh.	Dollars
1946												
Jan.	69,000	\$ 189.69	6,949,000	\$29,765.13	823,000	\$ 2,650.21	6,209,000	\$26,433.06	194,000	\$ 569.88	4,086,000	\$16,465.30
Feb.	18,000	69.23	5,591,000	27,648.15	1,163,000	4,254.09	3,607,000	17,366.73	443,000	1,468.49	2,093,000	9,730.76
Mar.	34,000	90.52	7,512,000	27,847.34	37,000 <sup>a</sup>	107.77	10,539,000	39,362.83	20,000	56.00	8,956,000	31,564.10
Apr.	11,000	42.04	4,404,000	20,462.87	232,000	1,068.96	4,506,000	20,657.49	272,000	1,149.68	1,470,000	7,318.25
May	2,000	5.79	9,277,000	47,726.69	1,985,000	9,732.14	2,889,000	13,638.91	179,000	777.90	1,032,000	2,385.52
June	56,000	177.68	4,445,000	17,501.13	166,000	511.08	7,755,000	35,440.20	68,000	218.41	7,113,000	32,578.78
July	101,000	387.97	2,871,000	17,860.71	773,000	3,305.10	4,722,000	35,892.97	381,000	1,763.56	3,925,000	34,275.18
Aug.	33,000	122.69	4,076,000	22,864.91	884,000	3,445.58	5,261,000	37,885.76	250,000	931.78	4,998,000	41,279.18
Sept.	66,000	299.04	5,503,000	31,440.60	1,049,000	4,930.65	5,338,000	40,333.59	222,000	988.14	5,087,000	43,071.78
Oct.	35,000	128.00	7,347,000	40,832.05	334,000	1,322.12	12,595,000	80,151.45	133,000	486.23	7,218,000	55,231.62
Nov.	16,000	53.45	8,024,000	48,145.40	1,018,000	4,838.49	9,860,000	75,261.44	244,000	1,023.86	3,330,000	28,865.36
Dec.	7,000	32.00	6,429,000	40,631.76	929,000	4,699.20	7,523,000	67,014.50	513,000	2,597.73	1,884,000	17,262.38
Total	448,000	1,598.10	72,428,000	372,726.74	9,393,000	40,865.39	80,804,000	489,438.93	2,919,000	12,031.66	51,192,000	320,028.21

\* All energy "purchases" are actually delivered to P.R.R. by P.E. for P.R.R. use; all energy "sales" are actually delivered to P.R.R. by P.W. & P. Co. for P.R.R. use.

\*\* Purchases and Sales shown are made by Pennsylvania Water & Power Company on behalf of itself and as agent for Safe Harbor Water Power Corporation.



February 13, 1947

MONTHLY CHARGES TO PENNSYLVANIA POWER & LIGHT COMPANY  
(LANCASTER AND PIONEER)

	LANCASTER					PIONEER	
	Total Bill	Energy Kwh.	Dollars	Spec. Fac.	Demand Kw.	Total Bill	Kwh.
1946							
Jan.	\$ 163,883.41	25,945,000	\$ 163,770.00	118.41	58,000	\$ 1,055.00	71,000
Feb.	146,509.41	23,048,500	146,391.00	118.41	57,000	915.00	61,000
Mar.	155,368.41	24,525,000	155,250.00	118.41	56,000	1,020.00	68,000
Apr.	153,946.41	24,288,000	153,828.00	118.41	58,000	1,020.00	68,000
May	154,984.41	24,461,000	154,866.00	118.41	56,000	1,125.00	75,000
June	144,220.41	22,687,000	144,102.00	118.41	57,000	1,125.00	75,000
July	154,498.41	24,380,000	154,380.00	118.41	62,000	1,228.80	81,920
Aug.	171,118.41	27,150,000	171,000.00	118.41	64,000	1,213.49	80,899
Sept.	164,010.81	25,965,400	163,892.40	118.41	67,000	1,199.79	79,986
Oct.	180,274.41	28,876,000	180,156.00	118.41	63,000	1,229.25	81,950
Nov.	175,024.41	27,801,000	174,906.00	118.41	64,000	1,305.00	87,000
Dec.	188,640.41	28,737,000	180,522.00	118.41	64,000	1,425.00	95,000
Total	1,944,484.32	307,643,900	1,943,063.40	1,420.92		13,871.33	924,755

JVS:J  
 CC: F.P.C.

February 14, 1946

MONTHLY CHARGES TO PHILADELPHIA ELECTRIC COMPANY (COATESVILLE)

	Total Bill	Energy			Demand		Fuel Rate	Spec. Fac.
		kwh.	Blocking Kw.	Dollars	Kw.	Dollars	Adj.	
1946								
Jan.	\$ 77,463.01	11,296,000	25,100	\$ 40,790.50	25,100	\$ 27,205.00	\$ 4,567.51	\$ 5,000.00
Feb.	53,734.33	6,300,000	15,500	23,054.29	20,300	22,065.00	3,615.04	5,000.00
Mar.	70,720.73	12,192,000	22,350	42,722.25	23,725	25,661.25	3,343.23	5,000.00
Apr.	81,743.70	12,439,000	23,400	43,752.00	24,250	26,212.50	6,779.20	5,000.00
May	75,700.88	11,247,000	22,300	39,873.50	23,700	25,635.00	5,252.38	5,000.00
June	68,199.60	9,471,000	21,700	34,380.50	23,400	25,320.00	3,499.10	5,000.00
July	80,714.17	11,507,000	23,700	41,038.50	24,400	26,370.00	8,305.07	5,000.00
Aug.	83,128.10	11,972,000	23,600	42,406.00	24,350	26,317.50	9,404.60	5,000.00
Sept.	85,325.20	11,703,000	24,100	41,730.50	24,600	26,580.00	12,008.70	5,000.00
Oct.	88,383.48	13,137,000	25,100	46,313.50	25,100	27,105.00	9,904.98	5,000.00
Nov.	84,944.93	11,828,000	25,250	42,427.75	25,250	27,262.50	10,254.68	5,000.00
Dec.	92,736.70	12,531,000	26,300	44,825.50	26,300	28,365.00	14,546.26	5,000.00
Total:	948,800.95	135,629,000	278,400	483,320.79	290,475	313,998.75	91,541.41	60,000.00

JVS:J  
CC: F.P.C.

February 14, 1947

MONTHLY CHARGES TO PENNSYLVANIA RAILROAD COMPANY

	Total Bill	Total Energy		Total Demand		Fuel Rate	Transm.	Specified	Pk. Trans.	Kwh. Delivered	PW Division	Max. Demand	Max. Demand
		Kwh.	Dollars	Kw.	Dollars	Adj.	Loss Cred.	Equipment & Facil.	Energy	to P.R.R.	of	in Md. Area	in Pa. Area
		(a)	(b)						(c)	in Pennsylvania	Total Bill	Kw.	Kw.
1946													
Jan.	\$ 275,717.28	38,435,000	\$ 132,663.58	71,333.3	\$ 82,389.96	\$18,627.28	\$ 1,256.00	\$43,292.46	398,000	17,295,000	\$124,067.40	44,000	42,000
Feb.	282,204.74	36,147,000	125,018.34	78,666.7	90,860.04	24,096.90	1,063.00	43,292.46	396,000	16,894,000	131,893.85	49,000	45,000
Mar.	279,481.75	39,993,000	137,877.26	74,666.7	86,240.04	14,221.99	2,150.00	43,292.46	404,000	17,886,000	124,992.14	46,000	41,000
Apr.	284,632.34	38,110,000	131,549.86	75,333.3	87,009.96	24,111.06	1,331.00	43,292.46	381,000	16,534,000	123,447.57	52,000	40,000
May	269,724.60	35,842,000	124,007.94	73,333.3	84,699.96	19,167.24	1,443.00	43,292.46	401,000	16,544,000	124,499.85	44,000	41,000
June	271,241.32	37,463,000	129,370.62	72,333.3	83,544.96	16,958.28	1,925.00	43,292.46	370,000	17,158,000	124,228.13	44,000	42,000
July	279,081.21	36,988,000	127,792.42	68,000.0	78,540.00	30,442.33	986.00	43,292.46	375,000	17,412,000	131,376.72	43,000	41,000
Aug.	292,209.40	37,459,000	129,335.68	75,333.3	87,009.96	33,245.30	674.00	43,292.46	357,000	18,958,000	147,887.18	43,000	45,000
Sept.	289,751.28	35,535,000	122,793.32	72,000.0	83,160.00	41,154.50	649.00	43,292.46	287,000	18,112,000	147,684.68	41,000	44,000
Oct.	289,501.88	37,472,000	129,233.02	73,333.3	84,699.96	33,163.44	887.00	43,292.46	269,000	18,761,000	144,944.09	45,000	41,000
Nov.	307,268.92	38,834,000	133,979.64	76,666.7	88,550.04	42,318.78	872.00	43,292.46	388,000	18,980,000	150,176.75	45,000	45,000
Dec.	313,916.35	39,565,000	136,394.62	76,333.3	88,164.96	47,018.31	954.00	43,292.46	372,000	18,948,000	150,337.09	45,000	45,000
Total	3,434,731.07	451,843,000	1,560,016.30	887,333.2	1,024,869.84	344,525.41	14,190.00	519,509.52	4,398,000	213,482,000	1,625,575.45	-	-

(a) Includes peak transfer energy under (c)

(b) Includes surcharge for peak transfer energy under (c) at 1.66 mills per kwh.



February 14, 1947

MONTHLY CHARGES TO METROPOLITAN EDISON CO.

	<u>Total Bill</u>	<u>Total Energy</u>		<u>Total Demand</u>		<u>Fuel Rate Adj.</u>	<u>Spec. Fac.</u>	<u>Spinning Reserve Capacity</u>		<u>Adj. Based on Taxes (cr.)</u>
		<u>Kwh.</u>	<u>Dollars</u>	<u>Kw.</u>	<u>Dollars</u>			<u>Hours' Use of 1,000 Kw.</u>	<u>Dollars</u>	
<u>1946</u>										
Jan.	\$60,901.58	10,002,000	\$30,681.50	21,000	\$26,250.00	\$2,761.34	\$ 1,405.60	2,550	\$1,275.00	\$ 1,471.86
Feb.	45,758.41	4,849,000	15,696.50	21,000	26,250.00	1,412.69	1,405.60	4,199	2,099.50	1,105.88
Mar.	73,690.23	14,522,000	43,784.00	21,000	26,250.00	3,940.56	1,405.60	182	91.00	1,780.93
Apr.	50,817.19	6,611,000	21,152.50	21,000	26,250.00	1,903.73	1,405.60	2,667	1,333.50	1,228.14
May	59,237.43	9,570,000	29,583.00	21,000	26,250.00	2,662.47	1,405.60	1,536	768.00	1,431.64
June	68,889.38	12,850,000	39,041.00	21,000	26,250.00	3,513.69	1,405.60	688	344.00	1,664.91
July	51,358.18	6,294,000	20,435.00	22,000	27,500.00	1,634.80	1,405.60	3,248	1,624.00	1,241.22
Aug.	49,975.99	5,639,000	18,547.00	22,000	27,500.00	1,854.70	1,405.60	3,753	1,876.50	1,207.81
Sept.	40,787.96	2,347,000	8,135.50	23,000	28,750.00	1,057.62	1,405.60	4,850	2,425.00	985.76
Oct.	56,331.86	6,901,000	22,264.50	23,000	28,750.00	3,339.68	1,405.60	3,867	1,933.50	1,361.42
Nov.	49,550.89	4,853,000	15,925.50	23,000	28,750.00	2,388.83	1,405.60	4,557	2,278.50	1,197.54
Dec.	49,824.01	4,168,000	14,197.00	23,000	28,750.00	2,129.55	1,405.60	4,605	2,302.50	- 1,039.36
Total	657,123.11	88,606,000	279,443.00	262,000	327,500.00	28,599.66	16,867.20	36,702	18,351.00	13,637.75



[24719]

Exhibit No. 424

4399

S.H. FACILITIES1946Special Facilities for R.R. Service  
furnished by Safe Harbor

Conastoga Tunnel & Cables	390,000
Control eqp. for 25 cy. facilities	73,000
Freq. Changer & Structures	852,500
Excess Cost of 25 cy. generators	608,100
Allocated intang. & gen'l.	9,900
Total Gross Invest. for R.R. Service	1,934,300

Total S.H. Gross Investment

30,240,547

R.R. facilities % of total S.H. Plant

6.4%

## Total S.H. R.R. Facilities

Return 5%	1,400,208	6.4%	89,613
Deprec. Exp.	507,370	6.4%	32,472
Oper. & Mt. of Freq. Conv. - 2% of Inv.			17,053

Total Cost of R.R. Facilities

139,138

1/3 paid by Holtwood

46,379

47% \$21,798 to Baltimore 53% \$24,581 to R.R. in Pa.

Total Cost of S.H. Power

1,053,564

Balanced S.H. Bill in Pool

1,007,185

ADJUSTMENT OF BILL TO R.R. IN PA.

	<u>Total Charge to R.R.</u>	<u>Cost Collected by Holtwood</u>	<u>Cost Allocated to R.R. in Pa.</u>	<u>Excess Collected Over Cost Allocated to R.R. in Pa.</u>
Benning Frequency Changer and 110 KV Line Rental Credit	\$ 84,480	\$ 36,326	\$ 0	\$ 36,326
R.R. Facilities at Safe Harbor	211,271	90,847	38,662	52,185
Conestoga Substation & Other Equipment	93,474	40,194	51,317	(11,123)
Perryville Line	122,100	52,503	18,989	41,514
Additional Switching for R.R. Transformers	8,184	3,519	1,374	(3,855)
Total	\$519,509	\$223,389	\$108,342	\$115,047

The Revenue from the R.R. in Pennsylvania is Decreased  
\$115,047 and the Revenue from Baltimore is Increased  
by \$115,047 in Table VI

	<u>Baltimore</u>	<u>R.R. in Pa.</u>
Revenue as Reported	\$2,027,849	\$1,455,514
Revenue from Net Intg. in Pa.	628,867	
Adjustment for Special Facilities	115,047	(115,047)
Total	\$2,771,763	\$1,340,467

BACKFEED AND DIVERTED ENERGY SUPPLIED BY BALTIMORE  
FOR  
FIRM AND INTERCHANGE SALES IN PA.

---

	<u>1000 KWH</u>
Net generation at S.H.	876,968
Delivery to Baltimore	
220 KV	300,340
For RR in Md.	<u>121,628</u>
	<u>421,968</u>
Bal. to Hd. for service in Pa.	455,000
Hd. entitlement from S.H.	<u>292,323</u>
Bal. Balt. energy from S.H. diversion	162,677
Backfeed from Balt.	
220 KV	157,961
From Hgtn.	<u>1,676</u>
	<u>159,637</u>
Total Balt. energy for firm and intg. supply in Pa.	322,314

HD. COST & REV. COLLECTED FOR SPCL. R.R. FACILITIES

	<u>Total Chg. to P.R.R.</u>	<u>Collected by Hd.</u>	<u>Cost Allocated to R.R. in Pa.</u>	<u>Exc. Collected Over Cost Allocated to Pa.</u>
Benning P.C. & Line Cr.	84,480	39,917	0	39,917
S.H. Facility for R.R.	211,271	99,825	36,973	62,852
Cga. Substation Bqp.	93,474	44,166	49,074	(4,908)
Perryville Line	122,100	57,692	10,989	46,703
Switch for R.R. Transf.	8,184	3,867	6,654	(2,787)
Total	519,509	245,467	103,690	141,777

Total excess of Hd. collection over cost  
allocated to R.R. in Pa. transferred  
from R.R. Revenue to Baltimore Rev. in  
Table VI

	<u>Baltimore</u>	<u>RR in Pa.</u>
Revenue as Reported	1,104,952	1,625,575
Rev. from net intg. in Pa.	1,127,699	
Adjustment for spcl. facil.	141,777	(141,777)
Total	2,374,428	1,483,798



[24729]

Exhibit No. 434

4402

P.R.R. SERVICE - COST ALLOCATION  
S.H. FACILITIES

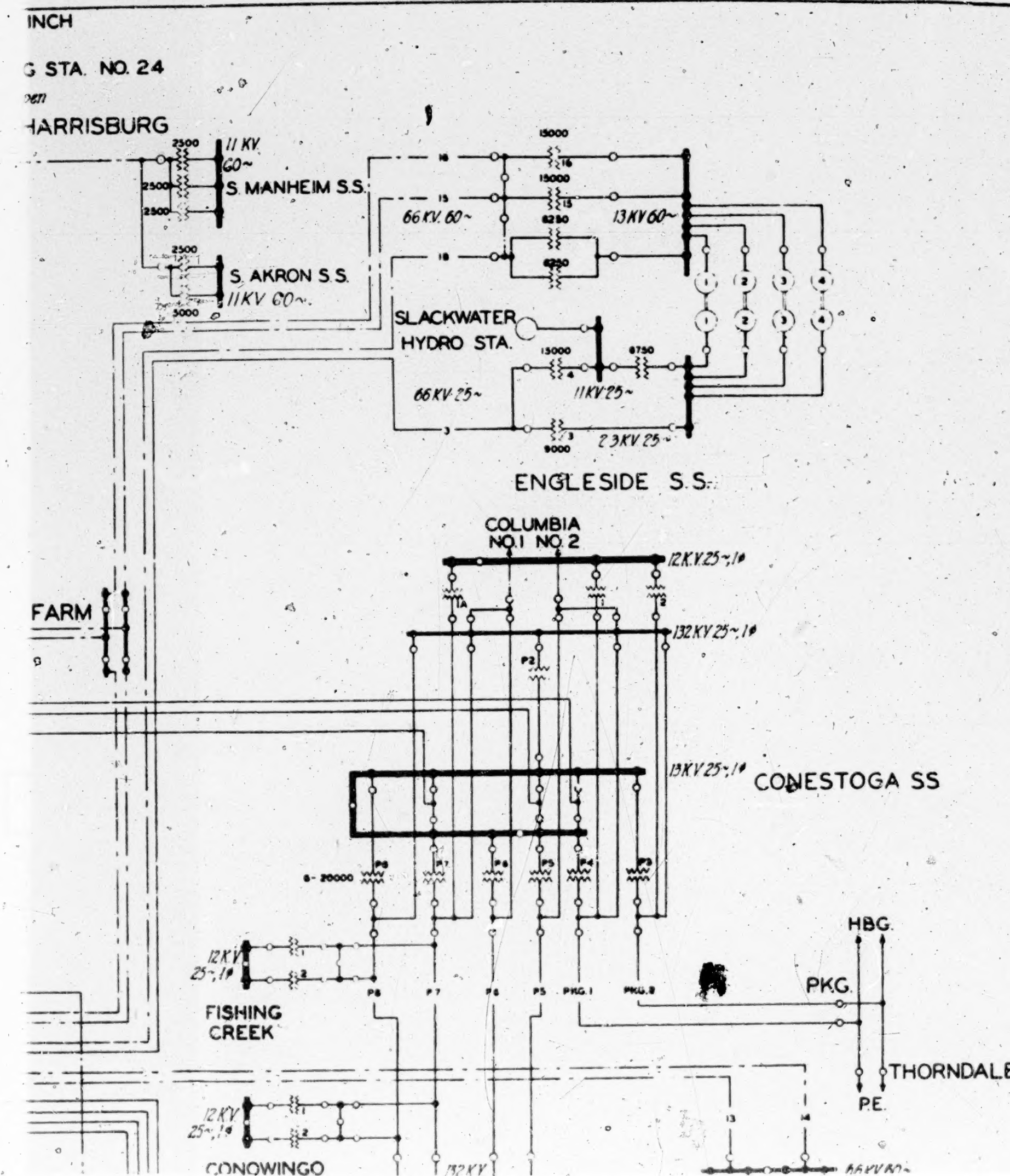
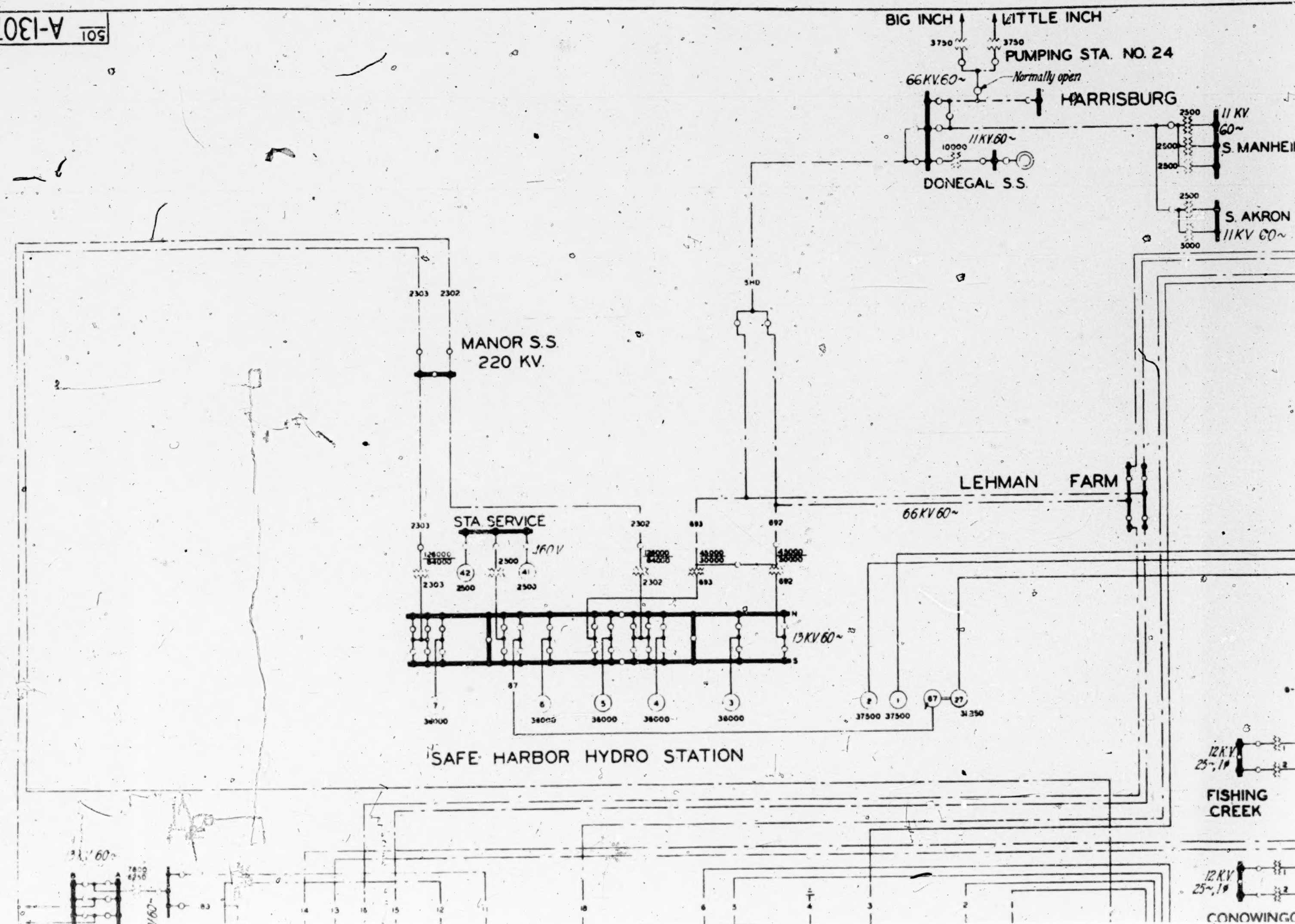
	<u>1944</u>	<u>1945</u>
Special facilities for R.R. Service furnished by Safe Harbor		
Conestoga Tunnel & Cables	390,000	
Control eq. for 25 cy. facilities	73,000	
Freq. Changer & Structures	852,500	
Excess cost of 25 cy. generators	608,100	
Allocated intang. & gen'l.	<u>9,900</u>	
1/ Total gross invest. for R.R. Service	\$1,934,300	\$ 1,934,300
Total S.H. gross investment	\$30,139,590	\$30,140,199
R.R. facilities % of total S.H. Plant	6.4%	6.4%

	<u>1944</u>		<u>1945</u>	
	<u>Total S.H.</u>	<u>R.R. Facilities</u>	<u>Total S.H.</u>	<u>R.R. Facilities</u>
Rate Base Sch. 3.32	28,563,376	6.4% \$1,828,000	28,333,806	6.4% \$1,813,684
Return 5%	1,428,169	91,400	1,416,940	90,684
Deprec. Expense	503,865	32,247	503,720	32,238
Oper. & Mt. of F.C.-2% of Inv.		<u>17,053</u>		<u>17,053</u>
Total Cost of R.R. Facilities		140,700		139,972
1/3 paid by Holtwood		\$ 46,900		\$ 46,657
Total cost of S.H. power Exh. 60, pg. 27		992,535		1,001,190
Balance S.H. Bill in Pool		945,635		954,533

1/ As per Memo. of 6-25-46 Signed GWS:F



105 A-130702



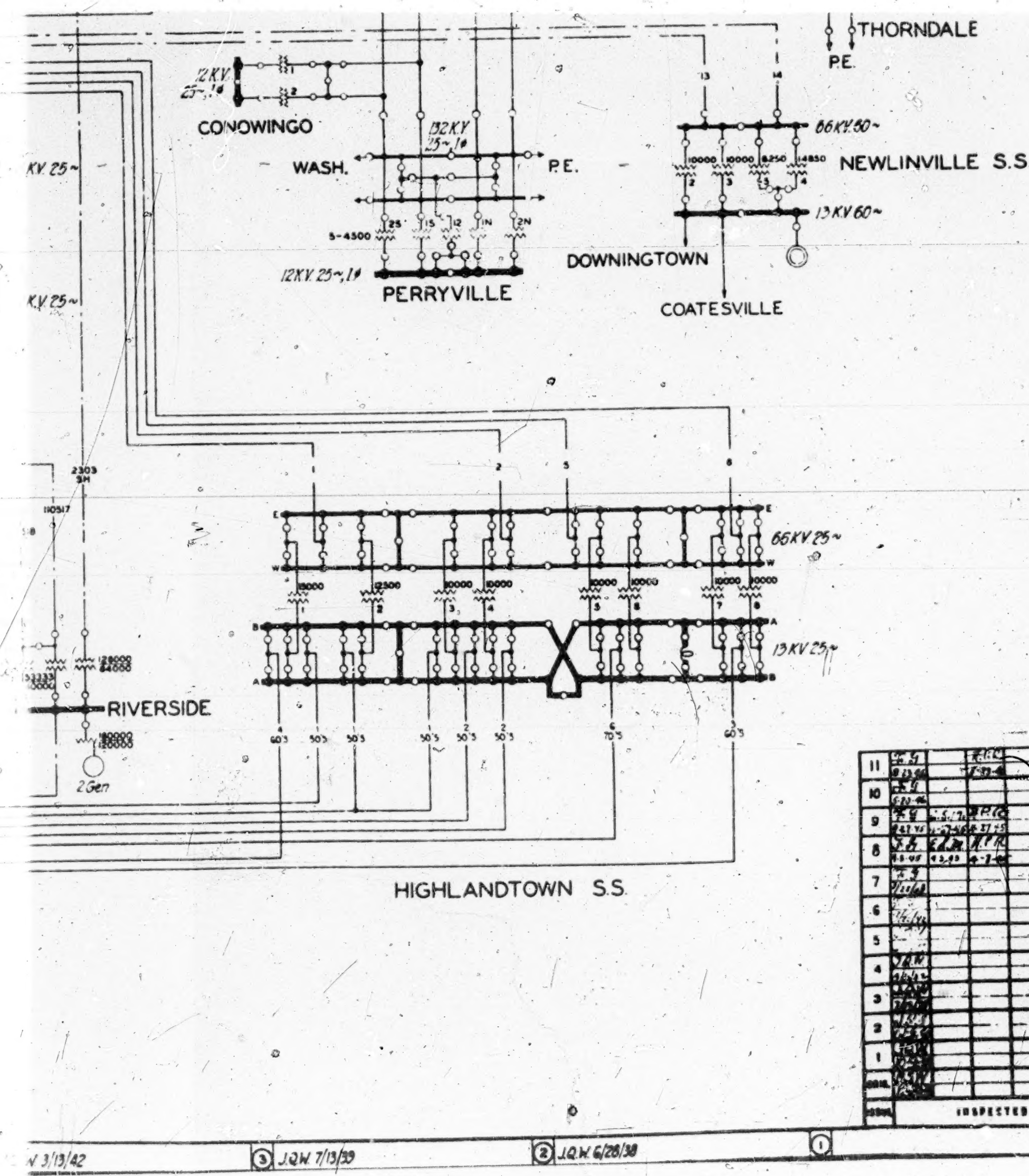
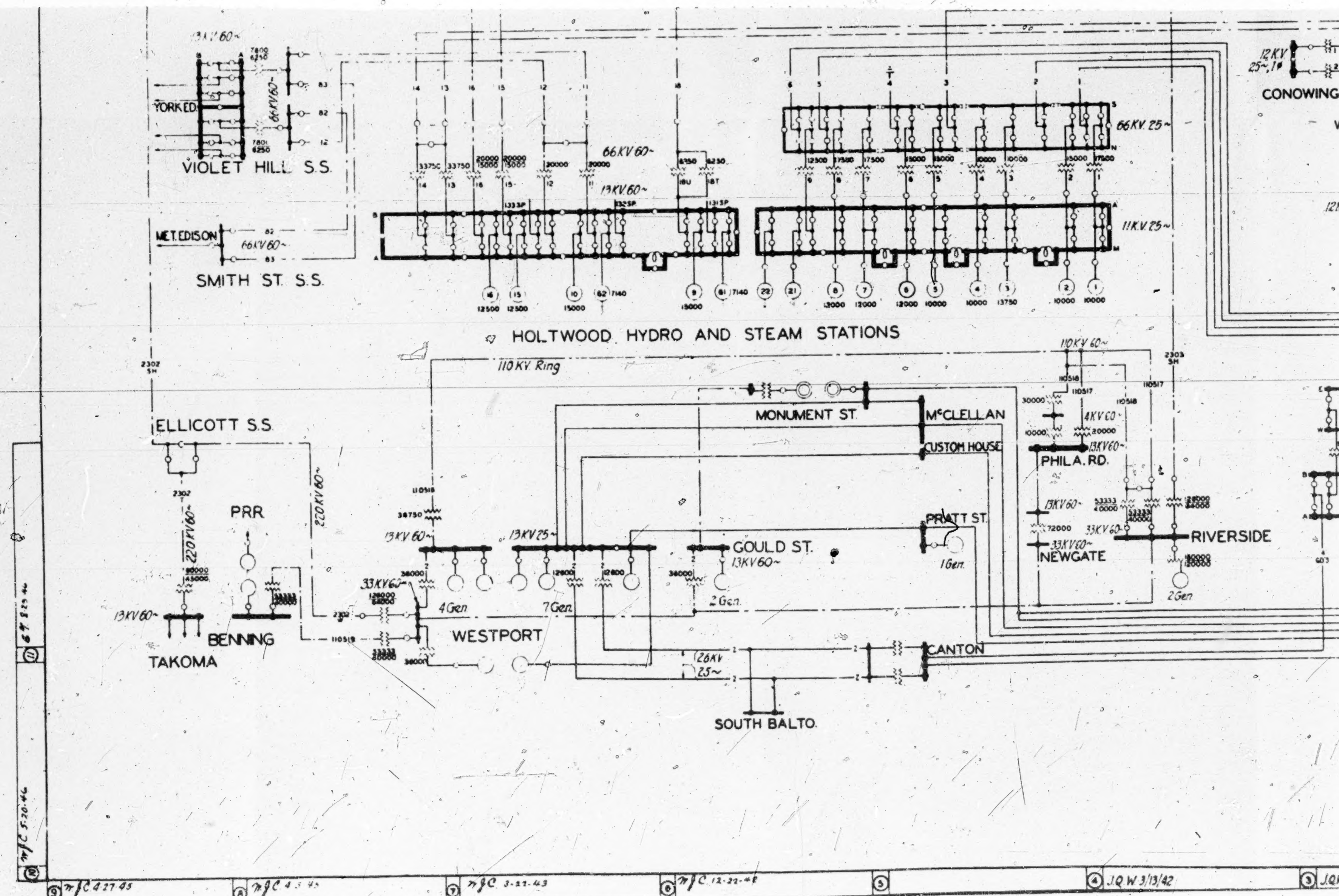
- Symbols**
- Station Buses
  - 25 Cycle Transmission Lines
  - 60 Cycle Transmission Lines
  - Generator
  - Frequency Converter
  - Synchronous Condenser
  - Reactor
  - Transformer
  - Air Break Switch, OCS and/or Disc Switch
  - Connecting Link

**Notes**  
 1. No radial feeders shown  
 2. Capacity ratings are given in Kva

Reference Drawings  
 115-A-130588 E.E. Load Dispatcher's Office Front View of System Board

**3851**

Note  
 (This page is from Card 67)



NO.	REVISIONS	CHKD.	APPR.	DATE
11	Added 1.7 Connection at Conowingo, Fishing Creek, Conowingo and Perryville Sub Stations	P.F.C.	AND	5-24-42
10	Drawing brought up to date	P.F.C.	AND	5-24-42
9	Added Pumping Sta. No. 24	P.F.C.	AND	5-24-42
8	Added Generator at Riverside & Pratt St. and No. 1-89 No. 10 at S.H.	P.F.C.	AND	4-5-42
7	Chad Transf. at S. Akron & S. Manheim S.S.	P.F.C.	AND	3-27-42
6	Added Transf. & Gen. at Riverside	P.F.C.	AND	3-27-42
5	No. 13, 14, 15 & 16 Cirs. & Transf. Numbers (13, 14, 15 & 16) Transposed at Holtwood	P.F.C.	AND	4-27-42
4	Traced and Minor Changes	P.F.C.	AND	4-27-42
3	Added No. 1 Gen. (D.M.) V.H. #41 For S. Akron S.S. & changed Newlinville S.S.	P.F.C.	AND	4-27-42
2	Added S. Manheim S.S. & Cir. 10549	P.F.C.	AND	7-14-39
1	Drawing brought up to date	P.F.C.	AND	6-7-39

**PENNSYLVANIA WATER & POWER CO. BALTIMORE, MD.**

FOR: System and Interconnections  
 SUBJECT: Interconnecting Lines  
 P.W.P.C. S.H.W.P. Co. & C.G.E.L. & P.C.

DATE: 5-24-42  
 BY: P.F.C.  
 CHECKED: P.F.C.  
 APPROVED: P.F.C.  
 101 A-130702



ELECTRIC ENERGY TRANSFERS ACROSS MARYLAND-PENNSYLVANIA  
BOUNDARY OVER FACILITIES OF PENNSYLVANIA WATER AND POWER  
COMPANY AND SUSQUEHANNA TRANSMISSION COMPANY OF MARYLAND\*

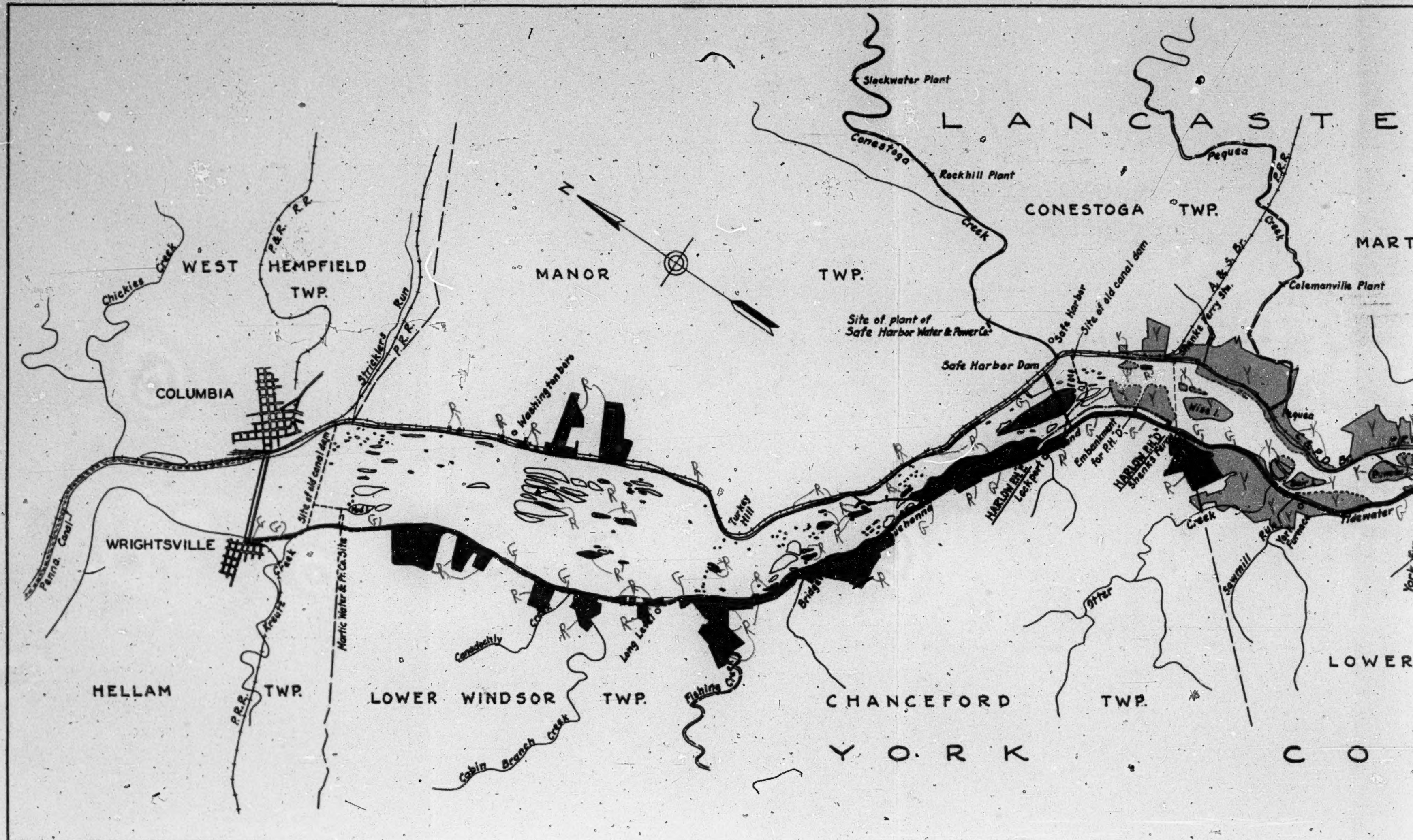
BY MONTHS  
 VALUES IN MEGAWATTHOURS

	From Pennsylvania to Maryland				Total	From Maryland to Pennsylvania				Total
	220 Kv - 60 Cycle Circuits			66 Kv - 25 Cycle Meter 34 1/2		220 Kv - 60 Cycle Circuits			66 Kv - 25 Cycle Meter 34 1/2	
	Meter 5	Meter 6	Subtotal			Meter 5	Meter 6	Subtotal		
1945										
January	12,690	6,622	19,312	29,282	48,594	3,470	5,917	9,387	-	9,387
February	16,118	10,232	26,350	29,634	55,984	4,301	4,867	9,168	-	9,168
March	43,601	36,637	80,238	46,357	126,595	0	0	0	-	0
April	29,437	28,052	57,489	44,164	101,953	937	218	1,155	-	1,155
May	39,829	35,026	74,855	48,152	123,007	2	22	24	-	24
June	19,912	13,712	33,624	42,377	76,001	1,443	1,414	2,857	-	2,857
July	16,475	7,618	24,093	35,071	59,164	2,647	5,623	8,270	-	8,270
August	11,600	5,012	16,612	31,757	48,369	3,524	6,448	9,972	-	9,972
September	19,014	12,453	31,467	30,962	62,429	2,757	5,360	8,137	-	8,137
October	23,231	17,230	40,461	44,083	84,544	758	1,400	2,158	-	2,158
November	32,840	24,228	57,068	47,181	104,252	83	150	233	-	233
December	29,355	22,596	51,951	42,372	94,323	623	1,050	1,673	-	1,673
Total	294,102	219,418	513,520	471,695	985,215	20,545	32,489	53,034	0	53,034
1946										
January	25,250	17,695	42,945	41,373	84,318	706	2,219	2,925	-	2,925
February	8,229	3,852	12,081	25,934	38,015	5,416	6,260	11,676	-	11,676
March	39,383	31,151	70,534	48,992	119,526	1	3	4	-	4
April	10,673	7,533	18,206	32,273	50,479	3,657	4,548	8,205	-	8,205
May	23,731	19,685	43,416	38,710	82,126	2,288	3,397	5,685	-	5,685
June	35,508	28,633	64,141	47,524	111,665	253	252	505	-	505
July	11,195	8,030	19,225	30,204	49,429	5,298	5,114	10,412	-	10,412
August	7,515	4,710	12,255	28,742	40,997	6,201	7,899	14,100	-	14,100
September	761	156	917	12,174	13,091	18,613	16,150	34,763	-	34,763
October	5,721	3,384	9,105	30,233	39,338	9,626	10,217	19,843	-	19,843
November	3,274	821	4,095	21,731	25,826	11,491	14,674	26,165	-	26,165
December	2,507	913	3,420	17,118	20,538	10,231	13,447	23,678	-	23,678
Total	173,777	126,563	300,340	375,008	675,348	73,781	84,180	157,961	0	157,961

\* Does not include transfers across Pennsylvania-Maryland boundary over Conestoga-Perryville Line.

1/ Net Delivery metered at Highlandtown Substation.







TER

COUNTY

Rawlinsville

MARTIC

TWP.

DRUMORE

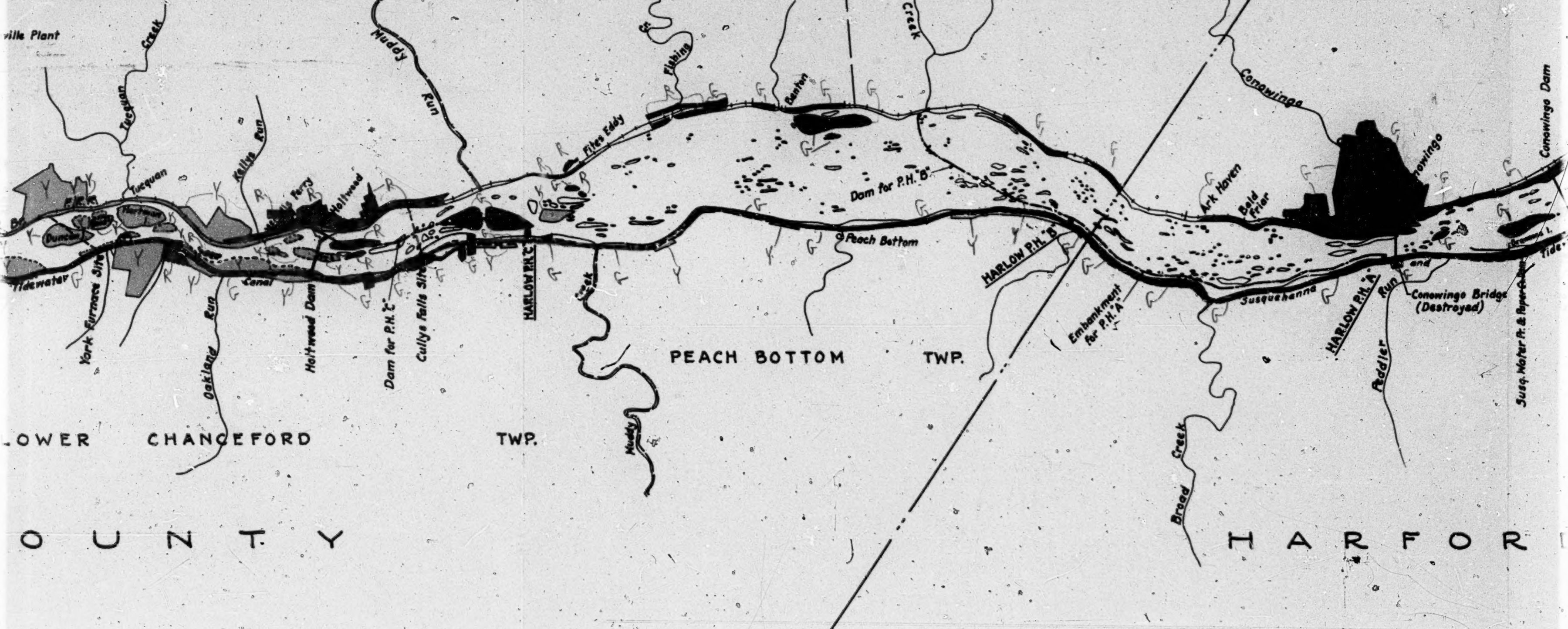
TWP.

FULTON

TWP.

PENNSYLVANIA  
MARYLAND

ville Plant



LOWER CHANCEFORD

TWP.

PEACH BOTTOM

TWP.

COUNTY

HARFORD



# 2667

Note  
(This page is from  
Card 38)

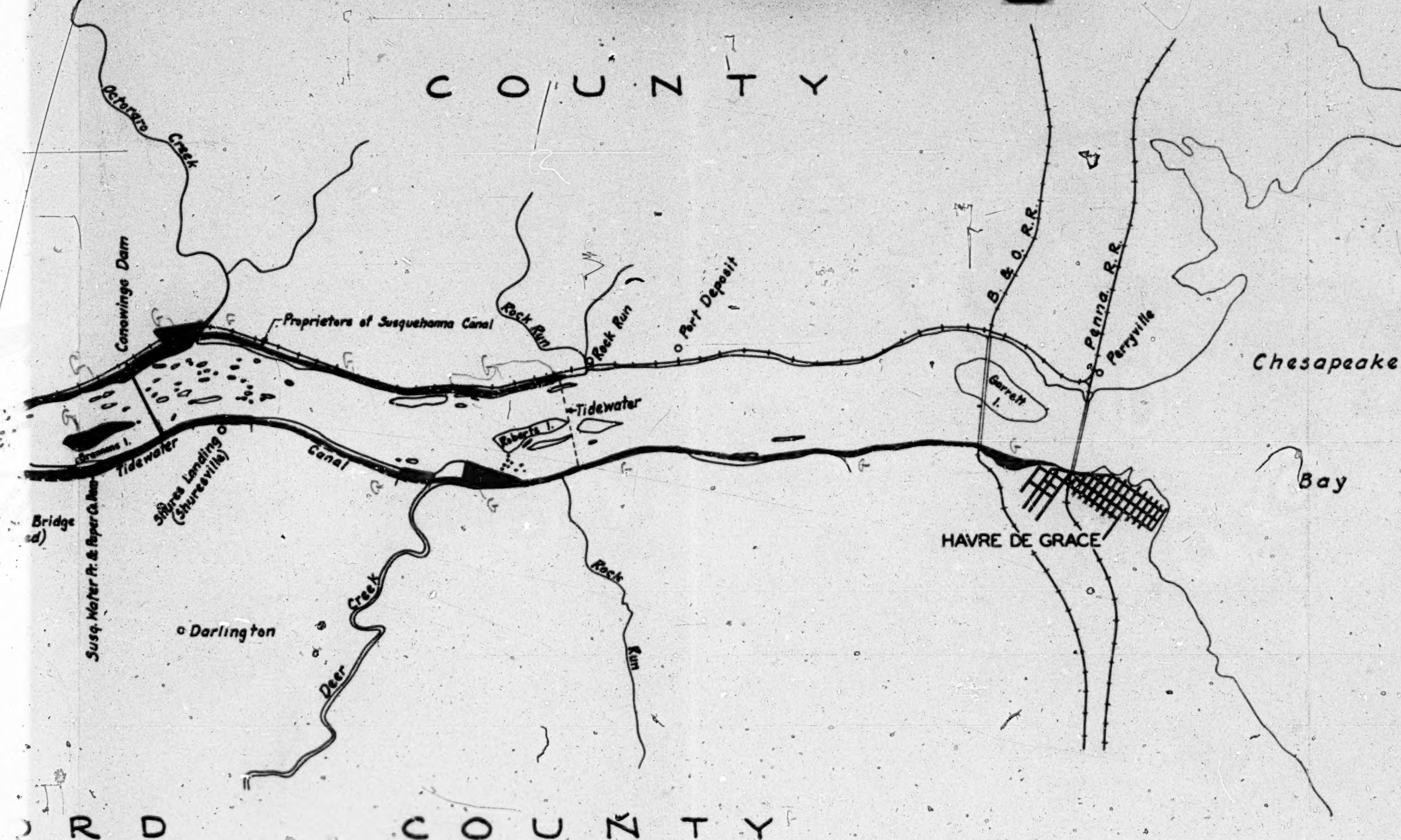
Exhibit No. 26

2667

[21532]

C E C I L

C O U N T Y



Note.

This key map is intended to show approximately the extent of river front controlled by the McCall Ferry Power Co. prior to 1908.

Legend

Y- (Yellow)  
G- (Green)  
R- (Red)

Hutchinson Properties  
Harlow-McGaw Properties  
McCall Ferry Power Co. other Acquisitions

PENNSYLVANIA WATER & POWER CO.		
FOR: <i>Baltimore Office</i>		
SUBJECT: <i>General Plan of the Susquehanna River</i> <i>Wrightsville to Havre de Grace</i>		
DRAWN <i>R.P. 3-3-32</i>	CHECK	INSP. <i>R.P. 3-3-32</i>
TRACED <i>R.P. 3-3-32</i>	INSP.	APPR.